

ORIGINAL



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BEFORE THE ARIZONA CORPORATION

RECEIVED

COMMISSIONERS

GARY PIERCE, Chairman  
BOB STUMP  
SANDRA D. KENNEDY  
PAUL NEWMAN  
BRENDA BURNS

2012 OCT 24 P 3:57

Arizona Corporation Commission

DOCKETED

AZ CORP COMMISSION  
DOCKET CONTROL

OCT 24 2012

DOCKETED BY

*LM*

IN THE MATTER OF THE APPLICATION OF  
GLOBAL WATER – PALO VERDE UTILITIES  
COMPANY FOR THE ESTABLISHMENT OF  
JUST AND REASONABLE RATES AND  
CHARGES FOR UTILITY SERVICE DESIGNED  
TO REALIZE A REASONABLE RATE OF  
RETURN ON THE FAIR VALUE OF ITS  
PROPERTY THROUGHOUT THE STATE OF  
ARIZONA

DOCKET NO. SW-20445A-12-0310

**NOTICE OF FILING  
REVISED SCHEDULES**

On July 9, 2012, Global Water – Palo Verde Utilities Company (“Palo Verde” or  
“Applicant”) filed a rate application. Staff has requested certain revisions in the schedules.  
Accordingly, revised schedules are attached.

RESPECTFULLY SUBMITTED this 24<sup>th</sup> day of October 2012.

ROSHKA DEWULF & PATTEN, PLC

By

*Timothy J. Sabo*

Michael W. Patten

Timothy J. Sabo

One Arizona Center

400 East Van Buren Street, Suite 800

Phoenix, Arizona 85004

1 Original + 13 copies of the foregoing  
2 filed this 24<sup>th</sup> day of October 2012, with:

3 Docket Control  
4 ARIZONA CORPORATION COMMISSION  
5 1200 West Washington  
6 Phoenix, AZ 85007

7 Copies of the foregoing hand-delivered  
8 this 24<sup>th</sup> day of October 2012, to:

9 Lyn Farmer, Esq.  
10 Chief Administrative Law Judge  
11 ARIZONA CORPORATION COMMISSION  
12 1200 West Washington  
13 Phoenix, AZ 85007

14 Janice Alward, Esq.  
15 Chief Counsel, Legal Division  
16 ARIZONA CORPORATION COMMISSION  
17 1200 West Washington  
18 Phoenix, AZ 85007

19 Steven M. Olea  
20 Director, Utilities Division  
21 ARIZONA CORPORATION COMMISSION  
22 1200 West Washington  
23 Phoenix, AZ 85007

24 By   
25  
26  
27

**Global Water - Palo Verde Utilities Company - Schedules**  
**Test Year Ended December 31, 2011**  
**Computation of Increase in Gross Revenue Requirement**

Schedule A-1

Line No.	DESCRIPTION	[A]	[B]	[C] ORIGINAL COST	[D] FAIR VALUE
1	Adjusted Rate Base			\$ 60,166,756	\$ 60,166,756
2					
3	Adjusted Operating Income (Loss)			\$ 3,066,067	\$ 3,066,067
4					
5	Current Rate of Return (Line 3 / Line 1)			5.10%	5.10%
6					
7	Required Operating Income (Line 9 * Line 1)			\$ 5,300,691	\$ 5,300,691
8					
9	Required Rate of Return			8.81%	8.81%
10					
11	Operating Income Deficiency (Line 7 - Line 3)			\$ 2,234,624	\$ 2,234,624
12					
13	Gross Revenue Conversion Factor			1.639005	1.639005
14					
15	Increase in Gross Revenue Requirements			\$ 3,662,560	\$ 3,662,560
16					
17					
18	Customer	Present	Proposed	Dollar	Percent
19	Classification	Rates	Rates	Increase	Increase
20					
21	Residential	\$ 9,762,983	\$ 14,692,684	\$ 4,929,701	50.5%
22	Commercial	440,865	660,964	220,099	49.9%
23	Non-Potable	305,271	1,071,097	765,826	250.9%
24					
25	Total of Water Revenues	\$ 10,509,118	\$ 16,424,745	\$ 5,915,626	56.3%
26					
27	Miscellaneous Revenues	345,001	345,001	-	0.0%
28					
29	Total Operating Revenues	\$ 10,854,119	\$ 16,769,746	\$ 5,915,626	54.5%
30					
31	Total Adjusted Revenues (Schedule C-1)	\$ 13,107,528	\$ 16,769,746	\$ 3,662,218 *	27.9%

**NOTE:** The revenue amounts on lines 21, 22, 23, 25, and 29 above do not reflect the final step of the rate phase in ordered in Palo Verde's last rate case. That is why the increase amounts on lines 21, 22, 23, 25, and 29 is significantly larger than the Increase in Gross Revenue Requirements on lines 15 and 31.

\*The increse shown on line 31 does not match exactly with that shown on line 15 because an effort was made to keep the rates to round numbers.

Supporting Schedules:

B-1  
C-1  
C-3  
H-1

Global Water - Palo Verde Utilities Company - Schedules  
Test Year Ended December 31, 2011  
Summary of Results of Operations

Schedule A-2

Line No.	Description	Prior Years Ended		Test Year		Projected Year	
		12/31/2009	12/31/2010	Actual 12/31/2011	Adjusted 12/31/2011	Present Rates 12/31/2012	Proposed Rates 12/31/2012
1	Gross Revenues	\$ 6,682,816	\$ 7,661,153	\$ 11,411,932	\$ 13,107,528	\$ 13,107,528	\$ 16,770,088
2							
3	Revenue Deductions and						
4	Operating Expenses	6,417,040	6,464,213	9,498,307	10,041,461	10,041,461	11,573,071
5							
6	Operating Income	\$ 265,776	\$ 1,196,940	\$ 1,913,625	\$ 3,066,067	\$ 3,066,067	\$ 5,197,017
7							
8	Other Income and Deductions	1,545	3,415	(20,177)	(20,177)	(20,177)	(20,177)
9							
10	Interest Expense	-	(2,972)	-	-	-	-
11							
12	Net Income	\$ 267,321	\$ 1,197,383	\$ 1,893,448	\$ 3,045,890	\$ 3,045,890	\$ 5,176,840
13							
14	Common Shares	1,000	1,000	1,000	1,000	1,000	1,000
15							
16	Earned Per Average						
17	Common Share	267.32	1,197.38	1,893.45	3,045.89	3,045.89	5,176.84
18							
19	Dividends Per						
20	Common Share	-	-	-	-	-	-
21							
22	Payout Ratio	-	-	-	-	-	-
23							
24	Return on Average						
25	Invested Capital	0.56%	1.66%	3.14%	5.13%	10.00%	16.99%
26							
27	Return on Year End						
28	Capital	0.33%	1.91%	3.27%	5.00%	5.00%	8.50%
29							
30	Return on Average						
31	Common Equity	0.56%	1.66%	3.14%	5.13%	10.00%	16.99%
32							
33	Return on Year End						
34	Common Equity	0.33%	1.91%	3.27%	5.00%	5.00%	8.50%
35							
36	Times Bond Interest Earned						
37	Before Income Taxes	-	-	-	-	-	-
38							
39	Times Total Interest and						
40	Preferred Dividends Earned						
41	After Income Taxes	-	-	-	-	-	-
42							

Supporting Schedules:

E-2

C-1

F-1

**Global Water - Palo Verde Utilities Company - Schedules**  
Test Year Ended December 31, 2011  
Summary of Capital Structure

Schedule A-3

Line No.	Description	Prior Years Ended		Test Year	Projected Year
		12/31/2009	12/31/2010	12/31/2011	12/31/2012
1	Short-Term Debt	\$ -	\$ -		
2					
3	Long-Term Debt	-	-		
4					
5	Total Debt	\$ -	\$ -	\$ -	\$ -
6					
7	Preferred Stock	-	-	-	-
8					
9	Common Equity	81,275,022	62,727,653	57,892,796	60,938,686
10					
11	Total Capital	\$ 81,275,022	\$ 62,727,653	\$ 57,892,796	\$ 60,938,686
12					
13	Capitalization Ratios:				
14					
15	Short-Term Debt	0.00%	0.00%	0.00%	0.00%
16					
17	Long-Term Debt	0.00%	0.00%	0.00%	0.00%
18					
19	Total Debt	0.00%	0.00%	0.00%	0.00%
20					
21	Preferred Stock	0.00%	0.00%	0.00%	0.00%
22					
23	Common Equity	100.00%	100.00%	100.00%	100.00%
24					
25	Total Capital	100.00%	100.00%	100.00%	100.00%
26					
27	Weighted Cost of				
28	Short-Term Debt	0.00%	0.00%	0.00%	0.00%
29					
30	Weighted Cost of				
31	Long-Term Debt	0.00%	0.00%	0.00%	0.00%
32					
33	Weighted Cost of				
34	Senior Debt	0.00%	0.00%	0.00%	0.00%
35					
36					
37	Note: For purposes of the rate case cost of capital calculation, the parent company's (GWR) IDA bond debt				
38	is imputed to Santa Cruz Water Company and Palo Verde Utilities Company. See the D Schedules.				
39					

Supporting Schedules:

E-1

D-1

**Global Water - Palo Verde Utilities Company - Schedules**

Schedule A-4

Test Year Ended December 31, 2011

Constructure Expenditures and Gross Utility Plant Placed in Service

Line No.			Construction Expenditures	Net Plant Placed In Service	Gross Utility Plant In Service
1	Prior Year Ended	12/31/2009	\$ 5,140,088	\$ 1,926,496	\$ 102,195,508
2					
3	Prior Year Ended	12/31/2010	2,172,474	6,142,864	108,338,372
4					
5	Test Year Ended	12/31/2011	442,456	630,881	108,969,253
6					
7	Projected Year Ended	12/31/2012	-	818,395	109,787,648
8					
9					
10					
11					

Supporting Schedules:

F-3

E-5

Global Water - Palo Verde Utilities Company - Schedules  
Test Year Ended December 31, 2011  
Comparative Statement of Changes in Financial Position

Schedule A-5

Line No.		Prior Years Ended		Test Year 12/31/2011	Projected Year	
		12/31/2009	12/31/2010		Present Rates 12/31/2012	Proposed Rates 12/31/2012
1	Source of Funds					
2						
3	Cash Flows from Operating Activities:					
4	Net income (loss)	\$ 267,321	\$ 1,197,383	\$ 1,893,448	\$ 3,045,890	\$ 5,176,840
5	Adjustments to reconcile net income to net					
6	cash provided by operating activities:					
7	Depreciation	3,154,252	2,012,949	3,111,693	3,519,422	3,519,422
8	Loss on disposal of fixed and intangible assets	-	36,800	24,210	-	-
9	Provision for doubtful accounts receivable	87,148	40,966	72,207	82,936	106,110
10	Deferred income tax (benefit) expense	84,072	1,605,532	134,837	682,693	2,022,282
11	Changes in assets and liabilities:					
12	Accounts receivable	65,995	(281,330)	(211,509)	(211,509)	(211,509)
13	Accrued revenue	2,771	(120,332)	(398,682)	(460,196)	(460,196)
14	Other assets	1,450	(575)	4,986	4,986	4,986
15	Due to related party	9,535	(2,235)	76,327	76,327	76,327
16	Accounts payable and other current liabilities	105,430	1,013,637	207,091	207,091	207,091
17	Total Cash Flows from Operations	3,777,974	5,502,795	4,914,609	6,947,639	10,441,352
18						
19	Cash Flows From Investing Activities:					
20	Capital expenditures	(4,921,752)	(2,275,528)	(790,284)	(818,395)	(818,395)
21	Deposits of restricted cash	(1,316)	(203)	(38)	139,000	-
22	Proceeds from sale of fixed and intangible assets	22,055	40,012	-	-	-
23	Total Cash Flows from Investing	(4,901,013)	(2,235,719)	(790,322)	(679,395)	(818,395)
24						
25	Cash Flows From Financing Activities:					
26	Capital contributions (return of capital), net	1,060,555	(3,643,212)	(4,030,578)	(6,174,535)	(9,529,248)
27	Contributions in aid of construction	-	82,949	-	-	-
28	Advances in aid of construction	103,001	347,029	15,000	15,000	15,000
29	Refunds of advances for construction	(40,517)	(53,842)	(108,710)	(108,710)	(108,710)
30	Total Cash Flows from Financing	1,123,039	(3,267,076)	(4,124,288)	(6,268,244)	(9,622,957)
31						
32	Net Increase (Decrease) in Cash	\$ -	\$ (0)	\$ 0	\$ -	\$ -
33	Cash at Beginning of Period	-	-	-	-	-
34	Ending Cash Balance	\$ -	\$ (0)	\$ 0	\$ -	\$ -
35						

Supporting Schedules:

E-3

F-2

**Global Water - Palo Verde Utilities Company - Schedules**

Schedule B-1

Test Year Ended December 31, 2011

**Summary of Fair Value Rate Base**

Line No.		Original Cost Rate Base As Filed
1	Plant in Service	\$ 109,787,648
2	Less: Accumulated Depreciation	<u>(19,012,634)</u>
3		
4	Net Plant in Service	\$ 90,775,014
5		
6	<u>LESS:</u>	
7	Net CIAC	30,362
8	Advances in Aid of Construction (AIAC)	27,839,315
9	Customer Deposits	669,926
10	Deferred Income Tax Credits	2,165,735
11		
12	<u>ADD:</u>	
13	Unamortized Finance Charges	-
14	Deferred Tax Assets	97,081
15	Working Capital	-
16	Utility Plant Acquisition Adjustment	<u>-</u>
17		
18	Original Cost Rate Base	<u><u>\$ 60,166,756</u></u>
19		
20		
21		

Note: The Company is not requesting an RCND calculation.

Supporting Schedules:

B-2

B-3

E-1

B-5

Recap Schedules

A-1



Line No.	(A) Description	(B) Actual End of Test Year	(C) ADJ #1 B-2.1	(D) ADJ #2 B-2.2a	(E) ADJ #3 B-2.2b	(F) ADJ #4	(G) ADJ #5	(H) ADJ #6	(I) Adjusted Test Year - As Filed
1	353 Land and Land Rights	\$ 186,342							\$ 186,342
2	354 Structures and Improvements	22,916,934							22,916,934
3	355 Power Generation Equipment	361,096							361,096
4	360 Collection Sewers - Force	3,865,315							3,865,315
5	361 Collection Sewers - Gravity	47,785,285							47,785,285
6	363 Services to Customers	5,244,342							5,244,342
7	364 Flow Measuring Devices	23,636							23,636
8	370 Receiving Wells	1,921,877							1,921,877
9	371 Pumping Equipment	4,039,011							4,039,011
10	374 Reuse Distribution Reservoirs	34,021							34,021
11	375 Reuse Transmission and Distribution System	11,089,457							11,089,457
12	380 Treatment and Disposal Equipment	5,975,575							5,975,575
13	381 Plant Sewers	78,384							78,384
14	382 Outfall Sewer Lines	353,645							353,645
15	389 Other Plant and Miscellaneous Equipment	2,295,565							2,295,565
16	390 Office Furniture and Equipment	403,174							403,174
17	391 Transportation Equipment	173,522							173,522
18	393 Tools, Shop and Garage Equipment	114,250							114,250
19	394 Laboratory Equipment	24,941							24,941
20	395 Power Operated Equipment	41,148							41,148
21	396 Communication Equipment	76,238							76,238
22	397 Miscellaneous Equipment	369,323							369,323
23	398 Other Tangible Plant	1,596,171	818,395						2,414,565
24									
25	Total Plant in Service	\$ 108,969,253	\$ 818,395						\$ 109,787,648
26	Less: Accumulated Depreciation	(19,012,634)							(19,012,634)
27	Net Plant in Service (L59 - L 60)	\$ 89,956,619	\$ 818,395						\$ 90,775,014
28									
29	LESS:								
30	Net Contributions in Aid of Construction (CIAC)	\$ 27,616,063		\$ (16,739,152)	\$ (10,846,549)				\$ 30,362
31	Advances in Aid of Construction (AIAC)	27,839,315							27,839,315
32	Customer Meter Deposits	669,926							669,926
33	Deferred Income Tax Credits	2,165,735							2,165,735
34									
35	ADD:								
36	Unamortized Finance Charges	\$ -							\$ -
37	Deferred Tax Assets	-							-
38	Meter deposits								
39	Deferred gain	3,062							3,062
40	Bad debt	32,615							32,615
41	Deferred compensation	49,669							49,669
42	CIAC	10,673,430		(6,469,574)	(4,192,121)				11,735
43									
44	Working Capital	-							-
45	Utility Plant Acquisition Adjustment	-							-
46									
47	Original Cost Rate Base	\$ 42,424,356	\$ 818,395	\$ 10,269,576	\$ 6,654,428	\$ -	\$ -	\$ -	\$ 60,166,756
48									

Supporting Schedules:  
E-1

Recap Schedules:  
B-1

Global Water - Palo Verde Utilities Company - Schedules  
Test Year Ended December 31, 2011  
Rate Base Adjustment #1  
Post Test Year CapEx

Schedule B-2.1

Line No.	Company Name	Project ID	Total 2012
1			
2	Palo Verde Utility Company	Campus I WRF Ph 3 Expansion	\$ 119,810
3		PVUC In Pipe Odor Control	52,022
4		PVUC Lagoon Closure	406,949
5		PVUC PEQB	12,564
6		SRW MH Rehabilitation and LS Improvement Phase I	6,408
7		PVUC WRF Headworks Rehab	69,132
8		Sewer Manhole Rehab	66,509
9		Edison Road Sewerline Extension	85,000
10	Palo Verde Utility Company Total		\$ 818,395
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Global Water - Palo Verde Utilities Company - Schedules  
Test Year Ended December 31, 2011  
Rate Base Adjustments #2 and 3  
Contributions in Aid of Construction

Schedule B-2.2

Line

No.

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		Balance 12/31/2009	Balance 12/31/2010	Total 2011 Additions	Balance 12/31/2011	DTA Balance 12/31/2011
39007-00-00	<u>Contributions in Aid of Construction</u>					
202	Palo Verde Utilities Co.	\$ -	\$ 32,300	\$ -	\$ 32,300	
39012-00-00	<u>Contributions in Aid of Construction Amortization</u>					
202	Palo Verde Utilities Co.	-	(646)	(1,292)	(1,938)	
	Total Net Traditional CIAC	<u>\$ -</u>	<u>\$ 31,654</u>	<u>\$ (1,292)</u>	<u>\$ 30,362</u>	<u>\$ 11,734.80</u>
39007-00-03	<u>Contributions in Aid of Construction - ICFA</u>					
202	Palo Verde Utilities Co.	-	10,991,128	1,575,044	12,566,172	
39012-00-03	<u>Less Amortization - ICFA</u>					
202	Palo Verde Utilities Co.	-	(1,352,814)	(366,809)	(1,719,622)	
	Total ICFA CIAC - Plant in service	<u>\$ -</u>	<u>\$ 9,638,314</u>	<u>\$ 1,208,235</u>	<u>\$ 10,846,549</u>	<u>\$ 4,192,121</u>
39007-00-05	<u>Contributions in Aid of Construction - ICFA Excess Capacity</u>					
202	Palo Verde Utilities Co.	\$ -	\$ 16,666,247	\$ 72,905	\$ 16,739,152	\$ 6,469,574
	Total CIAC	<u>\$ -</u>	<u>\$ 36,006,184</u>	<u>\$ 1,279,848</u>	<u>\$ 27,616,063</u>	<u>\$ 10,673,430</u>

**Global Water - Palo Verde Utilities Company - Schedules**

Schedule B-3

Test Year Ended December 31, 2011

Pro forma adjustments to gross plant in service and accumulated depreciation for the RCND rate base

Line

No.

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1     The Company did not make pro forma adjustments to gross plant in service and accumulated depreciation  
for RCND rate base

2

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Supporting Schedules

B-4

Recap Schedules

B-1

Global Water - Palo Verde Utilities Company - Schedules  
Test Year Ended December 31, 2011  
RCND Detail of Plant Accounts

Schedule B-4

Line  
No.

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The Company did not conduct a Reconstruction Cost New Study.

Supporting Schedules  
RCND Study

Recap Schedules  
B-3

**Global Water - Palo Verde Utilities Company - Schedules**

Schedule B-5

Test Year Ended December 31, 2011

Computation of Working Capital Allowance

Line

No.

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2       The Company is not requesting a working capital allowance.

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Supporting Schedules

E-1

Recap Schedules

B-1

Global Water - Palo Verde Utilities Company - Schedules  
Test Year Ended December 31, 2011  
Adjusted Test Year Income Statement

Schedule C-1

Line No.	DESCRIPTION	[A] Actual Test Year	[B] Pro Forma Adjustments - As Filed	[C] Adjusted Test Year - As Filed	[D] Proposed Rate Increase	[E] Adjusted With Rate Increase
1	Revenues					
2	521 Flat Rate Revenues	\$ 10,763,095	\$ 1,660,690	\$ 12,423,785	\$ 3,862,560	\$ 16,086,345
3	536 Other Wastewater Revenues	345,001	-	345,001	-	345,001
4	541 Measured Reuse Revenues	303,836	34,906	338,742	-	338,742
5	Total Operating Revenues	11,411,932	1,695,596	13,107,528	3,862,560	16,770,088
6						
7	Operating Expenses					
8	701 Salary and Wages - Employees	1,472,381	-	1,472,381	-	1,472,381
9	704 Employee Pensions and Benefits	-	-	-	-	-
10	715 Purchased Power	523,952	6,557	530,509	-	530,509
11	716 Fuel for Power Production	-	-	-	-	-
12	718 Chemicals	403,612	4,819	408,431	-	408,431
13	720 Materials and Supplies	114,852	-	114,852	-	114,852
14	721 Office Expense	120,122	-	120,122	-	120,122
15	731 Contractual Services - Professional	901,541	-	901,541	-	901,541
16	735 Contractual Services - Testing	40,577	-	40,577	-	40,577
17	736 Contractual Services - Other	197,061	-	197,061	-	197,061
18	740 Rents	119,990	-	119,990	-	119,990
19	742 Rental of Equipment	-	-	-	-	-
20	750 Transportation Expense	76,568	-	76,568	-	76,568
21	755 Insurance Expense	102,147	-	102,147	-	102,147
22	759 Insurance - Other	-	-	-	-	-
23	765 Regulatory Commission Expense	61,721	51,252	112,973	-	112,973
24	767 Rate Case Expense	-	-	-	-	-
25	770 Bad Debt Expense	72,207	10,729	82,936	23,174	106,110
26	775 Miscellaneous Expenses	459,105	26,581	485,686	75,577	561,263
27	403 Depreciation Expense	3,479,794	40,920	3,520,714	-	3,520,714
28	403 Depreciation Expense - CIAC Amortization	(368,101)	366,809	(1,292)	-	(1,292)
29	408 Taxes Other Than Income	9,500	-	9,500	-	9,500
30	408.11 Taxes Other Than Income - Property Taxes	520,532	543,541	1,064,073	93,271	1,157,343
31	409 Income Taxes	1,190,746	(508,053)	682,693	1,339,589	2,022,282
32	Total Operating Expenses	9,498,307	543,154	10,041,461	1,531,611	11,573,071
33						
34	Utility Operating Income (Loss)	1,913,625	1,152,442	3,066,067	2,130,950	5,197,017
35						
36	414 Gains (Losses) from Disposition of Utility Property	-	-	-	-	-
37	419 Interest and Dividend Income	38	-	38	-	38
38	426 Miscellaneous Non-Utility Expenses	(20,215)	-	(20,215)	-	(20,215)
38	427 Interest Expense	-	-	-	-	-
39	Total Other Income and Deductions	(20,177)	-	(20,177)	-	(20,177)
40						
41	Net Income (Loss)	\$ 1,893,448	\$ 1,152,442	\$ 3,045,890	\$ 2,130,950	\$ 5,176,840
42						
43						
44						
45						
46						

Supporting Schedules:

E-2  
C-2

Recap Schedules

A-1

Line No	DESCRIPTION	(A) Actual End of Test Year	(B) ADJ #1 C-2.1	(C) ADJ #2 C-2.2	(D) ADJ #3 C-2.3	(E) ADJ #4 C-2.4	(F) ADJ #5 C-2.5	(G) ADJ #7 B-2.2	(H) ADJ #8	(I) ADJ #9 C-2.9
1	Revenues									
2	521 Flat Rate Revenues	\$ 10,783,095	\$ -	\$ -	\$ -	\$ 139,660	\$ (564,294)	\$ -	\$ -	\$ -
3	536 Other Wastewater Revenues	345,001	-	-	-	-	-	-	-	-
4	541 Measured Reuse Revenues	303,836	-	-	-	33,333	1,573	-	-	-
5	Total Operating Revenues	\$ 11,411,932	\$ -	\$ -	\$ -	\$ 172,993	\$ (562,721)	\$ -	\$ -	\$ -
6										
7	Operating Expenses									
8	701 Salary and Wages - Employees	1,472,381	-	-	-	-	-	-	-	-
9	704 Employee Pensions and Benefits	-	-	-	-	-	-	-	-	-
10	715 Purchased Power	523,952	-	-	-	6,557	-	-	-	-
11	716 Fuel for Power Production	-	-	-	-	-	-	-	-	-
12	718 Chemicals	403,612	-	-	-	4,819	-	-	-	-
13	720 Materials and Supplies	114,852	-	-	-	-	-	-	-	-
14	721 Office Expense	120,122	-	-	-	-	-	-	-	-
15	731 Contractual Services - Professional	901,541	-	-	-	-	-	-	-	-
16	735 Contractual Services - Testing	40,577	-	-	-	-	-	-	-	-
17	736 Contractual Services - Other	197,061	-	-	-	-	-	-	-	-
18	740 Rents	119,990	-	-	-	-	-	-	-	-
19	742 Rental of Equipment	-	-	-	-	-	-	-	-	-
20	750 Transportation Expense	78,568	-	-	-	-	-	-	-	-
21	755 Insurance Expense	102,147	-	-	-	-	-	-	-	-
22	758 Insurance - Other	-	-	-	-	-	-	-	-	-
23	765 Regulatory Commission Expense	61,721	(53,333)	104,585	-	-	-	-	-	-
24	767 Rate Case Expense	-	-	-	-	-	-	-	-	-
25	770 Bad Debt Expense	72,207	-	-	-	-	-	-	-	-
26	775 Miscellaneous Expenses	459,105	-	-	(8,407)	-	-	-	-	-
27	403 Depreciation Expense	3,479,794	-	-	-	-	-	-	-	40,920
28	403 Depreciation Expense - CIAC Amortization	(368,101)	-	-	-	-	-	366,809	-	-
29	408 Taxes Other Than Income	9,900	-	-	-	-	-	-	-	-
30	408 11 Taxes Other Than Income - Property Taxes	520,532	-	-	-	-	-	-	-	-
31	409 Income Taxes	1,190,746	-	-	-	-	-	-	-	-
32	Total Operating Expenses	9,498,307	(53,333)	104,585	(8,407)	11,376	-	366,809	-	40,920
33										
34	Operating Income (Loss)	1,913,625	53,333	(104,585)	8,407	161,617	(562,721)	(366,809)	-	(40,920)
35										
36	414 Gains (Losses) from Disposition of Utility Property	-	-	-	-	-	-	-	-	-
37	419 Interest and Dividend Income	38	-	-	-	-	-	-	-	-
38	426 Miscellaneous Non-Utility Expenses	(20,215)	-	-	-	-	-	-	-	-
39	427 Interest Expense	-	-	-	-	-	-	-	-	-
40	Total Other Income and Deductions	(20,177)	-	-	-	-	-	-	-	-
41	Net Income (Loss)	\$ 1,893,448	\$ 53,333	\$ (104,585)	\$ 8,407	\$ 161,617	\$ (562,721)	\$ (366,809)	\$ -	\$ (40,920)
42										

Supporting Schedules:

Recap Schedules  
C-1



[I] ADJ #10 C-2.10*	[J] ADJ #11 C-2.11	[K] ADJ #12 C-2.12 a	[L] ADJ #13 C-2.13	[M] ADJ #14 C-2.14 a	[N] ADJ #20 C-2.15	[O] Adjusted Test Year - As Filed	[P] ADJ #15 A-1, C-2.11	[Q] ADJ #16 C-2.13	[R] ADJ #17 C-2.12 b	[S] ADJ #18 C-2.14 b	[T] Adjusted With Rate Increase
\$ 2,080,277	\$ -	\$ -	\$ -	\$ -	\$ 5,047	\$ 12,423,785	\$ 3,662,560	\$ -	\$ -	\$ -	\$ 18,086,345
-	-	-	-	-	-	345,001	-	-	-	-	345,001
-	-	-	-	-	-	338,742	-	-	-	-	338,742
\$ 2,080,277	\$ -	\$ -	-	-	5,047	13,107,528	3,662,560	-	-	-	\$ 18,770,088
-	-	-	-	-	-	1,472,381	-	-	-	-	1,472,381
-	-	-	-	-	-	530,509	-	-	-	-	530,509
-	-	-	-	-	-	408,431	-	-	-	-	408,431
-	-	-	-	-	-	114,852	-	-	-	-	114,852
-	-	-	-	-	-	120,122	-	-	-	-	120,122
-	-	-	-	-	-	901,541	-	-	-	-	901,541
-	-	-	-	-	-	40,577	-	-	-	-	40,577
-	-	-	-	-	-	197,061	-	-	-	-	197,061
-	-	-	-	-	-	119,990	-	-	-	-	119,990
-	-	-	-	-	-	78,568	-	-	-	-	78,568
-	-	-	-	-	-	102,147	-	-	-	-	102,147
-	-	-	-	-	-	112,973	-	-	-	-	112,973
-	10,729	-	-	-	-	82,936	23,174	-	-	-	106,110
-	-	-	34,989	-	-	485,686	-	75,577	-	-	561,263
-	-	-	-	-	-	3,520,714	-	-	-	-	3,520,714
-	-	-	-	-	-	(1,292)	-	-	-	-	(1,292)
-	-	-	-	-	-	9,500	-	-	-	-	9,500
-	-	543,541	-	-	-	1,064,073	-	-	93,271	-	1,157,343
-	-	-	-	(508,053)	-	682,693	-	-	-	1,339,589	2,022,282
-	10,729	543,541	34,989	(508,053)	-	10,041,461	23,174	75,577	93,271	1,339,589	11,573,071
2,080,277	(10,729)	(543,541)	(34,989)	508,053	5,047	3,066,067	3,639,386	(75,577)	(93,271)	(1,339,589)	5,197,017
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	38	-	-	-	-	38
-	-	-	-	-	-	(20,215)	-	-	-	-	(20,215)
-	-	-	-	-	-	(20,177)	-	-	-	-	(20,177)
\$ 2,080,277	\$ (10,729)	\$ (543,541)	\$ (34,989)	\$ 508,053	\$ 5,047	\$ 3,045,890	\$ 3,639,386	\$ (75,577)	\$ (93,271)	\$ (1,339,589)	\$ 5,176,840

Global Water - Palo Verde Utilities Company - Schedules  
Test Year Ended December 31, 2011  
Income Statement Adjustment #1  
2008 Rate Case Costs Amortization Schedule

Schedule C-2.1

Line

No.	Company ID	Company	Revenue Increase/Decrease	Percent
2	202	Palo Verde Utilities Co.	\$ 6,063,392.00	40.00%
3	602	Santa Cruz Water Company	\$ 1,542,323.00	40.00%
4	618	Valencia Water Company	\$ 1,473,012.00	14.00%
5	622	Willow Valley Water Company	\$ 428,047.00	4.00%
6	630	Water Utility of Greater Tonopah	\$ 24,283.00	1.00%
7	634	Water Utility of Greater Buckeye	\$ 77,259.000	1.00%
8			\$ 9,608,316.00	100.00%

9

10

11	Acct 28090	Total Rate Case Expense	\$ 400,000.00
12		Number of Years for Amortization	3
13		Period Amortization Start	8/31/2010
14		Period Amortization End	8/31/2013
15		Monthly Amortization Expense	\$ 11,111.11

16

17

Amortization Expense by Company

18	Period Ended	Palo Verde Utilities Co.	Santa Cruz Water Company	Valencia Water Company	Willow Valley Water Company	Water Utility of Greater Tonopah	Water Utility of Greater Buckeye
19	1/31/2010	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	2/28/2010	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	3/31/2010	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	4/30/2010	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	5/31/2010	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	6/30/2010	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	7/31/2010	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	8/31/2010	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11	\$ 111.11
27	9/30/2010	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11	\$ 111.11
28	10/31/2010	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11	\$ 111.11
29	11/30/2010	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11	\$ 111.11
30	12/31/2010	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11	\$ 111.11
31	1/31/2011	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11	\$ 111.11
32	2/28/2011	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11	\$ 111.11
33	3/31/2011	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11	\$ 111.11
34	4/30/2011	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11	\$ 111.11
35	5/31/2011	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11	\$ 111.11
36	6/30/2011	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11	\$ 111.11
37	7/31/2011	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11	\$ 111.11
38	8/31/2011	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11	\$ 111.11
39	9/30/2011	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11	\$ 111.11
40	10/31/2011	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11	\$ 111.11
41	11/30/2011	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11	\$ 111.11
42	12/31/2011	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11	\$ 111.11
43	1/31/2012	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11	\$ 111.11
44	2/29/2012	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11	\$ 111.11
45	3/31/2012	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11	\$ 111.11
46	4/30/2012	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11	\$ 111.11
47	5/31/2012	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11	\$ 111.11
48	6/30/2012	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11	\$ 111.11
49	7/31/2012	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11	\$ 111.11
50	8/31/2012	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11	\$ 111.11
51	9/30/2012	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11	\$ 111.11
52	10/31/2012	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11	\$ 111.11
53	11/30/2012	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11	\$ 111.11
54	12/31/2012	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11	\$ 111.11
55	1/31/2013	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11	\$ 111.11
56	2/28/2013	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11	\$ 111.11
57	3/31/2013	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11	\$ 111.11
58	4/30/2013	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11	\$ 111.11
59	5/31/2013	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11	\$ 111.11
60	6/30/2013	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11	\$ 111.11
61	7/31/2013	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11	\$ 111.11
62	8/31/2013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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Global Water - Palo Verde Utilities Company - Schedules  
Test Year Ended December 31, 2011  
Income Statement Adjustment #2  
2011 Rate Case Costs

Schedule C-2.2

Line  
No.

Company ID	Company	Active connections @ 12/31/2011	Percent
202	Palo Verde Utilities Co.	15,831	39.86%
602	Santa Cruz Water Company	16,015	40.32%
618	Valencia Water Company	5,343	13.45%
622	Willow Valley Water Company	1,502	3.78%
630	Water Utility of Greater Tonopah	324	0.82%
634	Water Utility of Greater Buckeye	627	1.58%
622	Water Utility of Northern Scottsdale	76	0.19%
		39,718	100.00%

10  
11  
12

Description	Total	Palo Verde Utilities Co.	Santa Cruz Water Company	Valencia Water Company	Willow Valley Water Company	Water Utility of Greater Tonopah	Water Utility of Greater Buckeye	Water Utility of Northern Scottsdale
Desert Mountain Ar	\$ 122,062.50	\$ 48,652.28	\$ 49,217.76	\$ 16,420.26	\$ 4,615.99	\$ 995.73	\$ 1,926.91	\$ 233.57
Insight Consulting, \$	216,000.00	\$ 86,094.37	\$ 87,095.02	\$ 29,057.05	\$ 8,168.39	\$ 1,762.02	\$ 3,409.84	\$ 413.31
Roshka Dewulf & F \$	370,302.78	\$ 147,597.14	\$ 149,312.63	\$ 49,814.39	\$ 14,003.59	\$ 3,020.75	\$ 5,845.71	\$ 708.57
Ullmann & Compar \$	78,808.75	\$ 31,411.99	\$ 31,777.08	\$ 10,601.62	\$ 2,980.28	\$ 642.88	\$ 1,244.10	\$ 150.80
Total	\$ 787,174.03	\$ 313,755.78	\$ 317,402.49	\$ 105,893.32	\$ 29,768.25	\$ 6,421.38	\$ 12,426.56	\$ 1,506.25
Check	\$							
Amortization:								
Year 1	\$ 262,391.34	\$ 104,585.26	\$ 105,800.83	\$ 35,297.77	\$ 9,922.75	\$ 2,140.46	\$ 4,142.19	\$ 502.08
Year 2	\$ 262,391.34	\$ 104,585.26	\$ 105,800.83	\$ 35,297.77	\$ 9,922.75	\$ 2,140.46	\$ 4,142.19	\$ 502.08
Year 3	\$ 262,391.34	\$ 104,585.26	\$ 105,800.83	\$ 35,297.77	\$ 9,922.75	\$ 2,140.46	\$ 4,142.19	\$ 502.08
	\$ 787,174.03	\$ 313,755.78	\$ 317,402.49	\$ 105,893.32	\$ 29,768.25	\$ 6,421.38	\$ 12,426.56	\$ 1,506.25

30

Global Water - Palo Verde Utilities Company - Schedules  
Test Year Ended December 31, 2011  
Income Statement Adjustment #3  
Low Income Relief Tariff

Schedule C-2.3

Line

No.

		Total 2011 201201			
		Accrual	CIS	Payment	Balance
	Description				G/L
1					
2					
3	Company				
4	Palo Verde Utilities Co. Balance LIRT Liability	(8,407.30)	-	-	(25,141.82)
5	Santa Cruz Water Company Balance LIRT Liability	(8,295.10)	(15,939.60)	-	(65,830.55)
6	Valencia Water Company Balance LIRT Liability	(2,761.00)	(2,558.88)	-	(15,009.20)
7	Willow Valley Water Company Balance LIRT Liability	(841.50)	(679.74)	-	(4,267.14)
8	Water Utility of Greater Tonopah Balance LIRT Liability	(171.60)	(145.63)	-	(889.05)
9	Water Utility of Greater Buckeye Balance LIRT Liability	(334.40)	(323.06)	-	(1,882.24)
10					
11		(20,810.90)	(19,646.91)	-	(113,020.00)
12					
13					
14					
15					
16					
17					
18					
19					
20					

## Global Water - Palo Verde Utilities Company - Schedules

Schedule C-2.4

Test Year Ended December 31, 2011

Income Statement Adjustment 4

Remove Annualization Revenue &amp; Expense to reflect End-of-Test Year Customer Counts

Line No.	Class of Service	[A] Average No. of Customers Per Bill Count Sch. H-2 Col. A	[B] Year-End Number of Customers	[C] Average Additional Customers [B - A]	[D]	[E] Average Bill	[F] Additional Revenues at Present Rates
1	5/8" Residential	1,114	1,113	(1)		62.91	\$ (755)
2	3/4" Residential	14,382	14,554	172		62.91	\$ 129,846
3	1" Residential	42	35	(7)		157.28	\$ (13,212)
4	1.5" Residential	-	-	-		-	\$ -
5	2" Residential	-	-	-		-	\$ -
6	Subtotal Residential	15,538	15,702	164		-	\$ 115,880
7							
8							
9	5/8" Commercial	5	4	(1)		63	\$ (755)
10	3/4" Commercial	4	4	-		63	\$ -
11	1" Commercial	17	18	1		157	\$ 1,887
12	1.5" Commercial	31	29	(2)		315	\$ (7,549)
13	2" Commercial	53	58	5		503	\$ 30,197
14	3" Commercial	3	3	-		1,007	\$ -
15	4" Commercial	1	1	-		1,573	\$ -
16	Subtotal Commercial	\$ 114	\$ 117	\$ 3		\$ 3,680	\$ 23,780
17							
18	Non-Potable	9	10	1		2,778	\$ 33,333
19							
20	Totals	\$ 15,661	\$ 15,829	\$ 168		\$ 6,458	\$ 172,993

Class of Expense	Average Cost Per K Gallons Sold	Additional K Gallons	Additional Cost From Customer Growth
Pumping	\$ 0.63	10,368	\$ 6,557
Water Treatment	0.46	10,368	4,819
Totals			\$ 11,376

## Global Water - Palo Verde Utilities Company - Schedules

Schedule C-2.5

Test Year Ended December 31, 2011

Income Statement Adjustment 5

Net change in accrued revenue accounts during the Test Year 2011.

Line

No.		2010 Ending Balance	2011 Ending Balance	Change
1	<b>Wastewater</b>			
2	<b>Unbilled revenue assets:</b>			
3	<u>Wastewater (Flat Fee)</u>			
4	(72101) Flat Rate Rev Residential-Basic	\$ 107,789.24	\$ 495,380.76	\$ 387,591.52
5	(72102) Flat Rate Rev Commercial-Basic	10,665.32	23,328.01	12,662.69
6				
7	<b>Total unbilled revenues</b>	<b>\$ 118,454.56</b>	<b>\$ 518,708.77</b>	<b>\$ 400,254.21</b>
8				
9				
10	<b>Deferred revenue liability:</b>			
11	<u>Basic Charge (Flat Fee)</u>			
12	(72101) Flat Rate Rev Residential-Basic	\$ (158,713.85)	-	\$ 158,713.85
13	(72102) Flat Rate Rev Commercial-Basic	(5,325.52)	-	5,325.52
14				
15	<b>Total deferred revenues</b>	<b>\$ (164,039.37)</b>	<b>\$ -</b>	<b>\$ 164,039.37</b>
16				
17				
18	<b>Total change in Wastewater accrual balances</b>			<b>\$ 564,293.58</b>
19				
20	<b>Recycled water</b>			
21	<b>Unbilled revenue assets:</b>			
22	<u>Recycled Water (Volumetric Fee)</u>			
23	(74703) Measured Rev Commercial- Basic Recycle Water	\$ 9,791.61	\$ 8,219.05	\$ (1,572.56)
24				
25				
26	<b>Total change in Recycled accrual balances</b>			<b>\$ (1,572.56)</b>
27				
28				

**Global Water - Palo Verde Utilities Company - Schedules**

Schedule C-2.9

Test Year Ended December 31, 2011

Income Statement Adjustment 9

Adjust for depreciation of post test-year plant additions

Line  
No.

1

2 Post test-year plant additions (FY 2012) - see schedule B-2.1

\$ 818,395

3 Blended depreciation rate (in years)

20

4 Estimated annual depreciation expense

\$ 40,920

5

6

7

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**Global Water - Palo Verde Utilities Company**

C-2.10

Test Year Ended December 31, 2011

Income Statement Adjustment 10

Adjustment for Final Phase of Rate Phase In and Adjustment for 2010-2011 Pro-rata

Line No.		Adjustment for Final Phase of Rate Phase In
1	5/8" Residential	\$ 129,819
2	3/4" Residential	\$ 1,720,672
3	1" Residential	\$ 12,490
4	5/8" Commercial	\$ 558
5	3/4" Commercial	\$ 469
6	1" Commercial	\$ 5,086
7	1.5" Commercial	\$ 18,395
8	2" Commercial	\$ 50,408
9	3" Commercial	\$ 5,902
10	4" Commercial	\$ 2,991
11	Recycled	-
12		
13	Revenue Adjustment	<u>\$ 1,946,791</u>
14		
15		Adjustment for 2010-2011 Pro-rata
16	5/8" Residential	7363.72
17	3/4" Residential	120993.26
18	1" Residential	1072.19
19	5/8" Commercial	23.16
20	3/4" Commercial	16.49
21	1" Commercial	268.53
22	1.5" Commercial	853.74
23	2" Commercial	2571.12
24	3" Commercial	210.34
25	4" Commercial	113.74
26	Recycled	-
27		
28	Revenue Adjustment	<u>\$ 133,486</u>
29		
30		
31	<b>Total Adjustment</b>	<b>\$ 2,080,277</b>



**Global Water - Palo Verde Utilities Company - Schedules**

Schedule C-2.11

Test Year Ended December 31, 2011

Income Statement Adjustment 11 &amp; 14

Adjust Bad Debt Expense for Change in Revenue Levels

Line

No.

1	Bad Debt Expense - Test Year Actual (Sch C-2)	\$ 72,207
2	Actual Test Year Revenues (Sch C-2)	<u>11,411,932</u>
3	Bad Debt Expense Rate	0.63%
4		
5		
6	Adjusted Test Year Revenues (Sch C-2)	\$ 13,107,528
7	Bad Debt Expense Rate	0.63%
8	Expected Bad Debt Expense	<u>\$ 82,936</u>
9		
10	Adjustment to Bad Debt Expense Based on Adjusted Test Year Revenues	\$ 10,729
11		
12		
13	Proposed Revenues (Sch C-2)	\$ 16,770,088
14	Bad Debt Expense Rate	0.63%
15	Expected Bad Debt Expense Based on Proposed Revenues	<u>\$ 106,110</u>
16		
17	Adjustment to Bad Debt Expense	\$ 23,174
18		
19		
20		
21		
22		
23		
24		
25		

## Global Water - Palo Verde Utilities Company - Schedules

Schedule C-2.12

Test Year Ended December 31, 2011

Income Statement Adjustments 12 &amp; 17

Adjustment to Property Tax

Line No.		Test Year As Adjusted	Proposed
1	Adjusted Test Year Revenues	\$ 13,107,528	\$ 13,107,528
2	Weight Factor	2	2
3	Subtotal (Line 1 * Line 2)	26,215,056	\$ 26,215,056
4	Proposed Revenue Requirement	13,107,528	\$ 16,770,088
5	Subtotal (Line 4 + Line 5)	39,322,584	42,985,144
6	Number of Years	3	3
7	Three Year Average (Line 5 / Line 6)	13,107,528	\$ 14,328,381
8	Department of Revenue Multiplier	2	2
9	Revenue Base Value (Line 7 * Line 8)	26,215,056	\$ 28,656,763
10	Plus: 10% of CWIP -	1,648,165	1,648,165
11	Less: Net Book Value of Licensed Vehicles	7,190	7,190
12	Full Cash Value (Line 9 + Line 10 - Line 11)	27,856,030	\$ 30,297,737
13	Assessment Ratio	21.0%	21.0%
14	Assessment Value (Line 12 * Line 13)	5,849,766	\$ 6,362,525
15	Composite Property Tax Rate	18.1900%	18.1900%
16			\$ -
17	Test Year Adjusted Property Tax (Line 14 * Line 15)	\$ 1,064,073	
18	Actual Test Year Property Tax Expense	520,532	
19			
20	Test Year Adjustment (Line 16-Line 17)	\$ 543,541	
21	Property Tax - Recommended Revenue (Line 14 * Line 15)		\$ 1,157,343
22	Test Year Adjusted Property Tax Expense (Line 17)		\$ 1,064,073
23	Increase in Property Tax Expense Due to Increase in Revenue Requirement		\$ 93,271
24			
25	Increase to Property Tax Expense		\$ 93,271
26	Increase in Revenue Requirement		3,662,560
27	Increase to Property Tax per Dollar Increase in Revenue (Line 19/Line 20)		2.546600%
28			
29			
30			

## Global Water - Palo Verde Utilities Company - Schedules

Schedule C-2.13

Test Year Ended December 31, 2011

Income Statement Adjustments 13 &amp; 16

Adjust City of Maricopa License Fees to Reflect Adjusted and Proposed Revenue

Line No.		Flat rate and Reuse Water Sales (Sch: C-2)	License Fees Incurred	License Fees as a % of Metered Water Sales	Expected License Fees	Increase (decrease) in License Fees
1						
2	Actual Test Year	\$ 11,066,931	\$ 228,366	2%		
3						
4	Adjusted Test Year Results	\$ 12,762,527			\$ 263,354	\$ 34,989
5						
6	Proposed Test Year Results	\$ 16,425,087			\$ 338,931	\$ 75,577
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						

## Global Water - Palo Verde Utilities Company - Schedules

Schedule C-2.14

Test Year Ended December 31, 2011

Income Statement Adjustments 14 &amp; 18

Adjust Income Taxes to Reflect Adjusted and Proposed Income Taxes

Line No.		Adjusted Test Year Results	Proposed Revenue Results
1			
2	Operating Income Before Income Taxes	\$ 3,748,760	\$ 7,219,299
3	Synchronized Interest	1,980,075	1,980,075
4	Arizona Taxable Income	\$ 1,768,685	\$ 5,239,223
5			
6	Arizona Income Tax (6.968%)	\$ 123,242	\$ 365,069
7			
8	Federal Income Before Taxes	\$ 1,768,685	\$ 5,239,223
9	Less Arizona Income Taxes	123,242	365,069
10	Federal Taxable Income	\$ 1,645,443	\$ 4,874,154
11			
12	Federal Income Tax (34% Tax Bracket)	\$ 559,451	\$ 1,657,212
13			
14	Total Income Tax	\$ 682,693	\$ 2,022,282
15			
16	Tax Rate	38.5989%	38.5989%
17			
18	Effective Income Tax Rates		
19	State	6.9680%	6.9680%
20	Federal	31.6309%	31.6309%
21			
22			
23	Test Year Income Taxes (Sch. C-2, Line 31)	\$ 1,190,746	
24	Increase/(Decrease) to Income Taxes - Adjusted	\$ (508,053)	
25			
26	Test Year Income Taxes - Adjusted		\$ 682,693
27			
28	Increase/(Decrease) to Proposed Income Taxes		\$ 1,339,589
29			
30			
31	<u>Calculation of Interest Synchronization:</u>		
32	Rate Base (Sch. B-1)		\$ 60,166,756
33	Weighted Average Cost of Debt (Sch. D-1)		3.29%
34	Synchronized Interest (L32 X L33)		\$ 1,980,075.14
35			
36			
37			
38			
39			
40			

## C-2.15

[illegible]

Global Water - Palo Verde Utilities Company - Schedules  
Test Year Ended December 31, 2011  
Computation of Gross Conversion Factor

Schedule C-3

Line No.			Percentage of Incremental Gross Revenues
1	Revenue		100.0000%
2	Uncollectible Factor (F14)		0.3885%
3	Revenues (F1 - F2)		99.6115%
4	Combined Federal and State Income Tax		38.5989%
5	Subtotal (F3 - F4)		61.0126%
6	<b>Revenue Conversion Factor (F1 / F5)</b>		<b>1.639005</b>
7			
8			
9	<u>Calculation of Uncollectible Factor:</u>		
10	Revenue		100.0000%
11	Combined Federal and State Tax Rate (F23)		38.5989%
12	One Minus Combined Income Tax Rate (F10 - F11)		61.4011%
13	Uncollectible Rate (Sch: C-2.11)		0.6327%
14	Uncollectible Factor (F12 x F13)		0.3885%
15			
16	<u>Calculation of Effective Tax Rate:</u>		
17	Arizona State Income Tax Rate	6.9680%	
18	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%	
19	Arizona State Income Tax Rate	6.9680%	
20	Federal Taxable Income (C18 - C19)	93.0320%	
21	Applicable Federal Income Tax Rate	34.0000%	
22	Effective Federal Income Tax Rate (C20 x C21)	31.6309%	
23	Combined Federal and State Income Tax Rate (D17 +D22)		38.5989%
24			
25			
26			

Supporting Schedules

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Global Water - Palo Verde Utilities Company - Schedules  
Test Year Ended December 31, 2011  
Summary Cost of Capital

Schedule D-1

Line No.	Description	End of Test Year - Actual			
		Dollar Amount	Percent of Total	Rate of Return	Weighted Cost
1					
2	Short-Term Debt	\$ -	0.00%	0.00%	0.00%
3					
4	Long-Term Debt	-	0.00%	0.00%	0.00%
5					
6	Common Equity	57,892,796	100.00%	10.00%	10.00%
7					
8	Totals	<u>\$ 57,892,796</u>	<u>100.00%</u>		<u>10.00%</u>

Line No.	Description	End of Test Year - Proposed				End of Projected Year - Proposed Rates			
		Dollar Amount	Percent of Total	Rate of Return	Weighted Cost	Dollar Amount	Percent of Total	Rate of Return	Weighted Cost
11									
12									
13									
14									
15	Short-Term Debt	\$ -	0.00%	0.00%	0.00%	\$ -	0.00%	0.00%	0.00%
16									
17	Long-Term Debt	62,047,253	51.73%	6.36%	3.29%	62,047,253	51.24%	6.36%	3.26%
18									
19	Common Equity	57,892,796	48.27%	11.44%	5.52%	59,045,238	48.76%	11.44%	5.58%
20									
21	Totals	<u>\$ 119,940,049</u>	<u>100.00%</u>		<u>8.81%</u>	<u>\$ 121,092,491</u>	<u>100.00%</u>		<u>8.84%</u>

Projected year Equity = Present Year Equity plus Projected year Net income c

Supporting Schedules

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Recap Schedules

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off of C-1



Line No.		End of Test Year - Actual		
		Amount Outstanding	Annual Cost	Interest Rate
1	Long-Term Debt			
2				
3	Short-Term Debt			
4				
5	Totals	N/A	N/A	N/A

Line No.		End of Test Year - Proposed			End of Projected Year - Proposed Rates		
		Amount Outstanding	Annual Cost	Interest Rate	Amount Outstanding	Annual Cost	Interest Rate
10							
11							
12	Long-Term Debt						
13							
14	Series 2006, Due 12/1/2017	\$ 4,041,872	\$ 220,282	5.45%	\$ 4,041,872	\$ 220,282	5.45%
15	Series 2006, Due 12/1/2022	4,600,776	257,643	5.60%	4,600,776	257,643	5.60%
16	Series 2006, Due 12/1/2032	17,300,102	994,756	5.75%	17,300,102	994,756	5.75%
17	Series 2007, Due 12/1/2013	488,468	26,866	5.50%	488,468	26,866	5.50%
18	Series 2007, Due 12/1/2037	22,712,932	1,487,697	6.55%	22,712,932	1,487,697	6.55%
19	Series 2008, Due 12/1/2018	691,144	44,060	6.38%	691,144	44,060	6.38%
20	Series 2008, Due 12/1/2038	12,211,959	915,897	7.50%	12,211,959	915,897	7.50%
21							
22	Totals	\$ 62,047,253	\$ 3,947,201	6.36%	\$ 62,047,253	\$ 3,947,201	6.36%
23							

Supporting Schedules  
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Recap Schedules  
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**Global Water - Palo Verde Utilities Company - Schedules**  
Test Year Ended December 31, 2011  
Cost of Preferred Stock

Schedule D-3

Line  
No.

- 1 Schedule D-3 is not applicable as there is no preferred stock issued or
- 2 outstanding in any of the utilities involved in this rate case.
- 3
- 4
- 5
- 6

Supporting Schedules  
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Recap Schedules  
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**Global Water - Palo Verde Utilities Company - Schedules**  
Test Year Ended December 31, 2011  
Cost of Common Equity

Schedule D-4

Line  
No.

- 1 The Company's rate application reflects a 11.44% return on common equity.
- 2 See the Direct Testimony of Matthew Rowell.
- 3
- 4
- 5
- 6
- 7
- 8
- 9
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- 13
- 14

Supporting Schedules  
Special Studies

Recap Schedules  
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**Global Water - Palo Verde Utilities Company - Schedules**  
Test Year Ended December 31, 2011  
Comparative Balance Sheets

Schedule E-1

Line No.		Test Year Ended 12/31/2011	Prior Year Ended 12/31/2010	Prior Year Ended 12/31/2009
1	<u>Assets</u>			
2				
3	131 Cash and cash equivalents	\$ -	\$ -	\$ -
4	132 Special Deposits	103,950	105,191	104,348
5	141 Customer Accounts Receivable	737,444	595,042	309,366
6	142 Other Accounts Receivable	-	-	-
7	143 Accumulated Provision for Uncollectible Accounts	(84,300)	(81,606)	(35,879)
8	151 Plant Material and Supplies	13,947	17,832	11,319
9	162 Prepayments	2,077	6,188	5,838
10	153 Other Material and Supplies	-	-	-
11	174 Miscellaneous Current and Accrued Assets	526,928	128,246	7,915
12	Total Current Assets	1,300,046	770,893	402,907
13				
14	Total Utility Plant in Service	108,969,253	108,338,372	102,195,508
15	105 Construction work-in-progress	16,481,647	16,670,072	20,640,462
16	108 Less: Accumulated Depreciation	(19,012,634)	(15,547,960)	(12,226,693)
17	Total Fixed Assets (Net)	106,438,266	109,460,484	110,609,277
18				
19	Deferred Debits			
20	190 Accumulated Deferred Income Taxes	7,856,519	8,936,977	13,849
21	Total other assets	7,856,519	8,936,977	13,849
22				
23	Total Assets	\$ 115,594,831	\$ 119,168,354	\$ 111,026,033
24				
25	<u>Liabilities and Stockholders' Equity</u>			
26				
27	231 Accounts payable	\$ 743,355	\$ 670,980	\$ 658,856
28	233 Accounts Payable to Associated Companies	-	-	-
28	235 Customer Deposits	669,926	669,926	-
29	236 Accrued Taxes	256,817	220,459	194,704
30	241 Miscellaneous Current and Accrued Liabilities	352,066	548,278	245,312
31	253 Other Deferred Credits	114,205	61,819	47,417
32	Total Current Liabilities	2,136,369	2,171,462	1,146,289
33				
34	252 Advances for Construction	27,839,315	27,933,024	27,585,537
35	271 Contributions in Aid of Construction	29,335,685	27,689,675	-
36	272 Less: Amortization of Contributions	(1,719,622)	(1,353,460)	-
37	283 Accumulated Deferred Income Taxes - Other	110,288	-	1,019,185
38	Total Deferred Credits and Other Liabilities	55,565,666	54,269,239	28,604,722
39				
40	Total Liabilities and Deferred Credits	57,702,035	56,440,701	29,751,011
41				
42	201 Common Stock Issued	10	10	10
43	211 Other Paid-In Capital	53,069,744	59,798,049	79,542,801
44	215 Unappropriated Retained Earnings	2,929,594	1,732,211	1,464,892
45	215 Current year net income	1,893,448	1,197,383	267,319
46	Total Members' Equity	57,892,796	62,727,653	81,275,022
47				
48	Total Liabilities and Stockholders' Equity	\$ 115,594,831	\$ 119,168,354	\$ 111,026,033
49				

Supporting Schedules  
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Recap Schedules  
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Global Water - Palo Verde Utilities Company - Schedules  
Test Year Ended December 31, 2011  
Comparative Income Statements

Schedule E-2

Line No.		Test Year Ended 12/31/2011	Prior Year Ended 12/31/2010	Prior Year Ended 12/31/2009
1	Operating Revenues			
2				
3	521 Flat Rate Revenues	\$ 10,763,095	\$ 7,130,552	\$ 6,124,915
4	522 Measured Revenues	303,836	222,562	168,464
5	536 Other Wastewater Revenues	345,001	308,039	389,437
6	Total Operating Revenues	11,411,932	7,661,153	6,682,816
7				
8	Operating Expenses			
9				
10	701 Salary and Wages - Employees	1,472,381	1,186,924	1,086,546
11	704 Employee Pensions and Benefits	-	-	-
12	715 Purchased Power	523,952	498,690	577,030
13	716 Fuel for Power Production	-	-	-
14	718 Chemicals	403,612	227,573	158,672
15	720 Materials and Supplies	114,852	126,768	75,395
16	721 Office Expense	120,122	120,882	250,466
17	731 Contractual Services - Professional	901,541	313,096	55
18	735 Contractual Services - Testing	40,577	48,040	44,598
19	736 Contractual Services - Other	197,061	132,436	97,103
20	740 Rents	119,990	12,947	146,602
21	750 Transportation Expense	76,568	39,759	20,437
22	755 Insurance Expense	102,147	100,718	101,365
23	765 Regulatory Commission Expense	61,721	85,323	-
24	775 Miscellaneous Expenses	531,312	331,013	154,024
25	403 Depreciation Expense	3,479,794	3,366,409	3,154,252
26	403 Depreciation Expense - CIAC Amortization	(368,101)	(1,353,460)	-
27	408 Taxes Other Than Income	9,500	6,238	8,729
28	408.11 Taxes Other Than Income - Property Taxes	520,532	468,889	373,344
29	409 Income Taxes	1,190,746	751,968	168,422
30	Total Operating Expenses	9,498,307	6,464,213	6,417,040
31				
32	Operating Income / (Loss)	1,913,625	1,196,940	265,776
33				
34	OTHER INCOME / (EXPENSE)			
35	414 Gains (Losses) from Disposition of Utility Property	-	-	-
36	419 Interest and Dividend Income	38	203	1,545
37	421 Non-Utility Income	-	11,126	-
38	426 Miscellaneous Non-Utility Expenses	(20,215)	(7,914)	-
39	427 Interest Expense	-	(2,972)	-
40	Total Other Income / (Expense)	(20,177)	443	1,545
41				
42	NET INCOME / (LOSS)	\$ 1,893,448	\$ 1,197,383	\$ 267,321
43				

Supporting Schedules  
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Recap Schedules  
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Global Water - Palo Verde Utilities Company - Schedules  
Test Year Ended December 31, 2011  
Comparative Statement of Changes in Financial Position

Schedule E-3

Line No.		Test Year Ended 12/31/2011	Prior Year Ended 12/31/2010	Prior Year Ended 12/31/2009
1				
2	Cash Flows from Operating Activities:			
3	Net income (loss)	\$ 1,893,448	\$ 1,197,383	\$ 267,321
4	Adjustments to reconcile net income to net cash provided by operating activities:			
5	Depreciation	3,111,693	2,012,949	3,154,252
6	Loss on disposal of fixed and intangible assets	24,210	36,800	-
7	Provision for doubtful accounts receivable	72,207	40,966	87,148
8	Deferred income tax (benefit) expense	134,837	1,605,532	84,072
9	Changes in assets and liabilities:			
10	Accounts receivable	(211,509)	(281,330)	65,995
11	Accrued revenue	(398,682)	(120,332)	2,771
12	Other assets	4,986	(575)	1,450
13	Due to related party	76,327	(2,235)	9,535
14	Accounts payable and other current liabilities	207,091	1,013,637	105,430
15	Total Cash Flows from Operations	4,914,609	5,502,795	3,777,974
16				
17	Cash Flows From Investing Activities:			
18	Capital expenditures	(790,284)	(2,275,528)	(4,921,752)
19	Deposits of restricted cash	(38)	(203)	(1,316)
20	Proceeds from sale of fixed and intangible assets	-	40,012	22,055
21	Total Cash Flows from Investing	(790,322)	(2,235,719)	(4,901,013)
22				
23	Cash Flows From Financing Activities:			
24	Capital contributions (return of capital), net	(4,030,578)	(3,643,212)	1,060,555
25	Contributions in aid of construction	-	82,949	-
26	Advances in aid of construction	15,000	347,029	103,001
27	Refunds of advances for construction	(108,710)	(53,842)	(40,517)
28	Total Cash Flows from Financing	(4,124,288)	(3,267,076)	1,123,039
29				
30	Net Increase (Decrease) in Cash	\$ 0	\$ (0)	\$ -
31	Cash at Beginning of Period	-	-	-
32	Ending Cash Balance	\$ 0	\$ (0)	\$ -
33				
34				

Supporting Schedules

Recap Schedules

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Global Water - Palo Verde Utilities Company - Schedules  
Test Year Ended December 31, 2011  
Statement of Changes in Stockholders' Equity

Schedule E-4

Line No.		Common Stock		Additional Paid-In-Capital	Retained Earnings	Total
		Shares	Amount			
1						
2	Balance - December 31, 2008	1,000	\$ 10.00	\$ 52,194,571	\$ 1,464,892	\$ 53,659,473
3						
4	Net Income				267,319	267,319
5						
6	Dividends Paid				-	-
7						
8	Other/Reclass			27,348,230	-	27,348,230
9						
10	Balance - December 31, 2009	1,000	\$ 10	\$ 79,542,801	\$ 1,732,211	\$ 81,275,022
11						
12	Net Income				1,197,383	1,197,383
13						
14	Dividends Paid				-	-
15						
16	Other/Reclass			(19,744,752)	-	(19,744,752)
17						
18	Balance - December 31, 2010	1,000	\$ 10	\$ 59,798,049	\$ 2,929,594	\$ 62,727,653
19						
20	Net Income				1,893,448	1,893,448
21						
22	Dividends Paid				-	-
23						
24	Other/Reclass			-	-	-
25						
26	Balance - December 31, 2011	1,000	\$ 10	\$ 53,069,744	\$ 4,823,042	\$ 57,892,796
27	check		10	53,069,744	4,823,042	57,892,796
28						
29						

Supporting Schedules

Recap Schedules

**Global Water - Palo Verde Utilities Company - Schedules**

Schedule E-5

Test Year Ended December 31, 2011

Detail Plant in Service

Line No.		End of Prior Year 12/31/2010	Net Additions	End of Test Year 12/31/2011
1	Utility Plant in Service			
2	353 Land and Land Rights	\$ 186,342	\$ -	\$ 186,342
3	354 Structures and Improvements	22,855,163	61,771	22,916,934
4	355 Power Generation Equipment	364,901	(3,805)	361,096
5	360 Collection Sewers - Force	3,857,656	7,659	3,865,315
6	361 Collection Sewers - Gravity	47,558,365	226,920	47,785,285
7	363 Services to Customers	5,244,342	-	5,244,342
8	364 Flow Measuring Devices	23,636	-	23,636
9	370 Receiving Wells	1,921,877	-	1,921,877
10	371 Pumping Equipment	3,980,973	58,038	4,039,011
11	374 Reuse Distribution Reservoirs	11,043	22,978	34,021
12	375 Reuse Transmission and Distribution System	11,074,138	15,319	11,089,457
13	380 Treatment and Disposal Equipment	5,846,144	129,431	5,975,575
14	381 Plant Sewers	78,384	-	78,384
15	382 Outfall Sewer Lines	353,645	-	353,645
16	389 Other Plant and Miscellaneous Equipment	2,264,309	31,256	2,295,565
17	390 Office Furniture and Equipment	401,774	1,400	403,174
18	391 Transportation Equipment	168,565	4,957	173,522
19	393 Tools, Shop and Garage Equipment	106,797	7,453	114,250
20	394 Laboratory Equipment	24,613	328	24,941
21	395 Power Operated Equipment	10,320	30,828	41,148
22	396 Communication Equipment	39,288	36,950	76,238
23	397 Miscellaneous Equipment	370,972	(1,649)	369,323
24	398 Other Tangible Plant	1,595,125	1,046	1,596,171
25	Total Utility Plant in Service	<u>\$ 108,338,372</u>	<u>\$ 630,881</u>	<u>\$ 108,969,253</u>
26				
27	107 Construction Work in Progress	<u>\$ 16,670,072</u>	<u>\$ (188,425)</u>	<u>\$ 16,481,647</u>
28				
29	Total Plant	<u>\$ 125,008,444</u>	<u>\$ 442,456</u>	<u>\$ 125,450,900</u>
30				
31	Total Accum. Depreciation	<u>\$ (15,547,960)</u>	<u>\$ (3,464,674)</u>	<u>\$ (19,012,634)</u>
32				
33	Total Net Plant	<u>\$ 109,460,484</u>	<u>\$ (3,022,218)</u>	<u>\$ 106,438,266</u>
34				

Supporting Schedules
Recap Schedules

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**Global Water - Palo Verde Utilities Company - Schedules**  
Test Year Ended December 31, 2011  
Comparative Departmental Statements of Operating Income

Schedule E-6

Line No.		Test Year Ended 12/31/2011	Prior Year Ended 12/31/2010	Prior Year Ended 12/31/2009
1	Operating Revenues			
2	Residential	\$ 10,309,008	\$ 6,829,509	\$ 5,870,975
3	Commercial	454,087	301,044	253,940
4				
5	Other Wastewater Sales	345,001	307,385	389,437
6	Reclaimed Water Sales	303,836	222,562	168,464
7				
8	Total Water Sales	\$ 11,411,932	\$ 7,660,500	\$ 6,682,816
9				
10	Miscellaneous	-	654	-
11				
12	Total Operating Revenues	\$ 11,411,932	\$ 7,661,154	\$ 6,682,816
13				
14	OPERATING EXPENSES:			
15	Operations and Maintenance	\$ 1,595,590	\$ 1,647,233	\$ 1,742,778
16				
17	General and Administrative	\$ 3,070,246	\$ 1,576,937	\$ 969,515
18				
19	Depreciation	\$ 3,111,693	\$ 2,012,949	\$ 3,154,252
20				
21	TAXES			
22	Income Taxes	\$ 1,190,746	\$ 751,968	\$ 168,422
23	Property taxes	520,532	468,889	373,344
24	Other Taxes and Licenses	9,500	6,238	8,729
25				-
26				
27	TOTAL TAXES	\$ 1,720,778	\$ 1,227,095	\$ 550,495
28				
29	Total Operating Expenses	\$ 9,498,307	\$ 6,464,214	\$ 6,417,040
30				
31	Operating Income/(Loss)	\$ 1,913,625	\$ 1,196,940	\$ 265,776
32				

Supporting Schedules

Recap Schedules

E-2

**Global Water - Palo Verde Utilities Company - Schedules**  
Test Year Ended December 31, 2011  
Operating Statistics

Schedule E-7

Line No.		Test Year Ended 12/31/2011	Prior Year Ended 12/31/2010	Prior Year Ended 12/31/2009
1	Gallons Sold per Water Company (in 1,000's)			
2	Total Residential	877,656	886,293	872,061
3	Total Commercial	68,213	68,212	59,611
4	Non-Potable	945,869	508,693	530,966
5		1,891,739	1,463,198	1,462,638
6				
7	Average No. Customers			
8	Total Residential	15,538	15,373	14,935
9	Total Commercial	114	115	104
10	Total Lake-Reclaimed	9	12	12
11	Non-Potable	15,661	15,500	15,051
12				
16	Average Annual Revenue Per			
17	Residential Customer	\$ 754.92	\$ 754.92	\$ 754.92
18				
19	Average Annual Gallons Per			
23	Residential Customer (in 1,000's)	56.48	57.65	58.39
24	Commercial Customer	598.36	593.15	573.18
25				
26	Average Per 1,000 Gallons Sold			
27	Pumping Expense	\$ 3.61	\$ 2.93	\$ 2.53
28	Water Treatment Expense	\$ 4.69	\$ 6.43	\$ 9.22
29				
30				
31	*Based on % of Santa Cruz usage			
32				

Supporting Schedules

Recap Schedules

**Global Water - Palo Verde Utilities Company - Schedules**

Schedule E-8

Test Year Ended December 31, 2011

Taxes Charged to Operations

Line No.		Test Year Ended 12/31/2011	Prior Year Ended 12/31/2010	Prior Year Ended 12/31/2009
1				
2	Federal Taxes			
3	Income	\$ 975,789	\$ 616,220	\$ 138,018
4	FICA (Employer's) *	81,073	71,433	63,392
5	Unemployment *	1,354	1,203	891
6	Total Federal Taxes	\$ 1,058,216	\$ 688,856	\$ 202,301
7				
8				
9	State Taxes			
10	Income	\$ 214,957	\$ 135,748	\$ 30,404
11	Property	520,532	468,889	373,344
12	Other	9,500	6,238	8,729
13	Unemployment *	10,302	6,629	2,278
14	Total State Taxes	\$ 755,291	\$ 617,504	\$ 414,755
15				
16				
17	Total Taxes to Operations	\$ 1,813,507	\$ 1,306,360	\$ 617,056

\* FICA and Unemployment are included with Salaries and Wages on C-1, E-2 and E-6.

Supporting SchedulesRecap Schedules

Line

No.

**Significant Accounting Policies** — The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. Significant accounting policies are as follows:

**Utility Plant** — Property, plant and equipment is stated at cost less accumulated depreciation provided on a straight-line basis.

Depreciation rates for asset classes of utility property, plant and equipment are established by the Commission. The cost of additions, including betterments and replacements of units of utility fixed assets are charged to utility property, plant and equipment. When units of utility property are replaced, renewed or retired, their cost plus removal or disposal costs, less salvage proceeds, is charged to accumulated depreciation.

In addition to material costs, direct labor and personnel costs, and indirect construction overhead costs may be capitalized. Interest incurred during the construction period is also capitalized as a component of the cost of the constructed assets, which represents the cost of debt associated with construction activity. Expenditures for maintenance and repairs are charged to expense.

**Revenue Recognition** — Water services revenues are recorded when service is rendered or water is delivered to customers. However, in addition to the monthly basic service charge, the determination and billing of water sales to individual customers is based on the reading of their meters, which occurs on a systematic basis throughout the month. At the end of each reporting period, amounts of water delivered to customers since the date of the last meter reading are estimated and the corresponding accrued, but unbilled revenue is recorded.

Water connection fees are the fees associated with the application process to set up a customer to receive utility service on an existing water meter. These fees are approved by the ACC through the regulatory process and are set based on the costs incurred to establish services including the application process, billing setup, initial meter reading and service transfer. Because the amounts charged for water connection fees are set by our regulator and not negotiated in conjunction with the pricing of ongoing water service, the connection fees represent the culmination of a separate earnings process and are recognized when the service is provided.

Meter installation fees are the fees charged to the developer or builder associated with the installation of a new water meter. Fees charged for meters installed within a service area regulated by the ACC are refundable pursuant to a utility line extension agreement and properly recorded as a liability. For a portion of our service area, meter installation fees are not refundable. Because these fees are negotiated with the developer or builder independent of service that will be provided to the end-user and represent the culmination of a separate earnings process, they are recognized when the service is rendered. Accordingly, revenue for water meter sales is recognized at the time the water meters are installed.

Wastewater service revenues are generally recognized when service is rendered. Wastewater services are billed at a fixed monthly amount per connection, and recycled water services are billed monthly based on volumetric fees.

**Advances and Contributions in Aid of Construction** — The Company has various agreements with Developers and builders, whereby funds, water line extensions, or wastewater line extensions are provided to us by the Developers and are considered refundable advances for construction. These advances in aid of construction ("AIAC") are noninterest bearing and are subject to refund to the Developers through annual payments that are computed as a percentage of the total annual gross revenue earned from customers connected to utility services constructed under the agreement over a specified period. Upon the expiration of the agreements, the remaining balance of the advance becomes nonrefundable and at that time is considered CIAC. Contributions in aid of construction are amortized as a reduction of depreciation expense over the estimated remaining life of the related utility plant.

Global Water - Palo Verde Utilities Company - Schedules  
Test Year Ended December 31, 2011  
Projected Income Statements - Present and Proposed

Schedule F-1

Line No.		Test Year Actual 12/31/2011	Present Rates Year Ended 12/31/2012	Adjustments	Proposed Rates Year Ended 12/31/2012
1	Operating Revenues	\$ 13,107,528	\$ 13,107,528	\$ 3,662,560	\$ 16,770,088
2					
3	Operating Expenses				
4					
5	601 Salary and Wages - Employees	1,472,381	1,472,381	-	1,472,381
6	604 Employee Pensions and Benefits	-	-	-	-
7	610 Purchased Water	530,509	530,509	-	530,509
8	615 Purchased Power	-	-	-	-
9	616 Fuel for Power Production	408,431	408,431	-	408,431
10	618 Chemicals	114,852	114,852	-	114,852
11	620 Materials and Supplies	120,122	120,122	-	120,122
12	620.08 Materials and Supplies	901,541	901,541	-	901,541
13	634 Contractual Services - Management Fees	40,577	40,577	-	40,577
14	635 Contractual Services - Testing	197,061	197,061	-	197,061
15	636 Contractual Services - Other	119,990	119,990	-	119,990
16	641 Rental of Building/Real Property	-	-	-	-
17	642 Rental of Equipment	76,568	76,568	-	76,568
18	650 Transportation Expenses	102,147	102,147	-	102,147
19	657 Insurance - General Liability	-	-	-	-
20	659 Insurance - Other	112,973	112,973	-	112,973
21	660 Advertising Expense	-	-	-	-
22	670 Bad Debt Expense	106,110	82,936	23,174	106,110
23	675 Miscellaneous Expenses	561,263	485,686	75,577	561,263
24	403 Depreciation Expense	3,520,714	3,520,714	-	3,520,714
25	408.10 Taxes Other Than Income - Util Reg Assess Fee	(1,292)	(1,292)	-	(1,292)
26	408.11 Taxes Other Than Income - Property Taxes	9,500	9,500	-	9,500
27	408.13 Taxes Other Than Income - Other Taxes and Licenses	1,157,343	1,064,073	93,271	1,157,343
28	409 Income Taxes	2,022,282	682,693	1,339,589	2,022,282
29	Total Operating Expenses	11,573,071	10,041,461	1,531,611	11,573,071
30					
31	Operating Income / (Loss)	1,534,457	3,066,067	2,130,950	5,197,017
32					
33	OTHER INCOME / (EXPENSE)				
34	414 Gains (Losses) from Disposition of Utility Property	-	-	-	-
35	419 Interest and Dividend Income	38	38	-	38
36	426 Miscellaneous Non-Utility Expenses	(20,215)	(20,215)	-	(20,215)
37	427 Interest Expense	-	-	-	-
38	Total Other Income / (Expense)	(20,177)	(20,177)	-	(20,177)
39					
40	NET INCOME / (LOSS)	\$ 1,514,280	\$ 3,045,890	\$ 2,130,950	\$ 5,176,840

Supporting Schedules  
E-2

Recap Schedules  
A-2

Global Water - Palo Verde Utilities Company - Schedules  
Test Year Ended December 31, 2011  
Projected Statements of Changes in Financial Position  
Present and Proposed Rates

Schedule F-2

Line No.		Test Year 12/31/2011	Projected Year	
			Present Rates 12/31/2012	Proposed Rates 12/31/2012
1	<u>Source of Funds</u>			
2				
3	Cash Flows from Operating Activities:			
4	Net income (loss)	\$ 1,893,448	\$ 3,045,890	\$ 5,176,840
5	Adjustments to reconcile net income to net			
6	cash provided by operating activities:			
7	Depreciation	3,111,693	3,519,422	3,519,422
8	Loss on disposal of fixed and intangible assets	24,210	-	-
9	Provision for doubtful accounts receivable	72,207	82,936	106,110
10	Deferred income tax (benefit) expense	134,837	682,693	2,022,282
11	Changes in assets and liabilities:			
12	Accounts receivable	(211,509)	(211,509)	(211,509)
13	Accrued revenue	(398,682)	(460,196)	(460,196)
14	Other assets	4,986	4,986	4,986
15	Due to related party	76,327	76,327	76,327
16	Accounts payable and other current liabilities	207,091	207,091	207,091
17	Total Cash Flows from Operations	4,914,609	6,947,639	10,441,352
18				
19	Cash Flows From Investing Activities:			
20	Capital expenditures	(790,284)	(818,395)	(818,395)
21	Deposits of restricted cash	(38)	139,000	-
22	Proceeds from sale of fixed and intangible assets	-	-	-
23	Total Cash Flows from Investing	(790,322)	(679,395)	(818,395)
24				
25	Cash Flows From Financing Activities:			
26	Capital contributions (return of capital), net	(4,030,578)	(6,174,535)	(9,529,248)
27	Contributions in aid of construction	-	-	-
28	Advances in aid of construction	15,000	15,000	15,000
29	Refunds of advances for construction	(108,710)	(108,710)	(108,710)
30	Total Cash Flows from Financing	(4,124,288)	(6,268,244)	(9,622,957)
31				
32	Net Increase (Decrease) in Cash	\$ 0	\$ -	\$ -
33	Cash at Beginning of Period	-	-	-
34	Ending Cash Balance	\$ 0	\$ -	\$ -
35				
36				

Supporting Schedules:

E-3

F-3

Recap Schedules

A-5

**Global Water - Palo Verde Utilities Company - Schedules**  
Test Year Ended December 31, 2011  
Projected Construction Requirements

Schedule F-3

Line No.	Property Classification	Through 12/31/2012	Through 12/31/2013	Through 12/31/2014
1				
2	Water Reclamation Facilities/Lift Stations	\$ 608,455	\$ 500,000	\$ -
3				
4	Reclaimed Water Distribution Centers		-	-
5				
6	Recharge Facilities		100,000	-
7				
8	Pipelines	157,917	100,000	100,000
9				
10	SCADA		50,000	50,000
11				
12	Other	52,022		
13				
14	Totals	\$ 818,395	\$ 750,000	\$ 150,000
15		(Sch. B-2.1)		
16				
17				
18				

Supporting Schedules:

Recap Schedules  
F-2 & A-4

**Global Water - Palo Verde Utilities Company - Schedules**

Schedule F-4

Test Year Ended December 31, 2011

**Assumptions**

Line

No.

1 Revenues and expenses were projected using the pro forma changes to the test year  
2 ending December 31, 2011.

3

4 Construction forecasts are based on estimated plant requirements including  
5 new facilities, the replacement of existing facilities, and the improvement and  
6 maintenance of infrastructure necessary to ensure safe and reliable service.

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Supporting Schedules:

Recap Schedules



**Global Water - Palo Verde Utilities Company - Schedules**

Schedule G-1

Test Year Ended December 31, 2011

Cost of Service Summary - Present Rates

Line

No.

1 The Company did not prepare a cost of service study due to its proposal  
2 of a conservation-oriented rate design which is not based on costs.

3

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Supporting Schedules

H-1

G-4

G-3

Recap Schedules

**Global Water - Palo Verde Utilities Company - Schedules**  
Test Year Ended December 31, 2011  
Cost of Service Summary - Proposed Rates

Schedule G-2

Line

No.

- 1 The Company did not prepare a cost of service study due to its proposal
- 2 of a conservation-oriented rate design which is not based on costs.
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13

Supporting Schedules

H-1  
G-4  
G-3

Recap Schedules

**Global Water - Palo Verde Utilities Company - Schedules**

Schedule G-3

Test Year Ended December 31, 2011

Rate Base Allocation to Classes of Service

Line

No.

1 The Company did not prepare a cost of service study due to its proposal  
2 of a conservation-oriented rate design which is not based on costs.

3

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Supporting Schedules

G-5

G-7

Recap Schedules

G-1 & G-2

**Global Water - Palo Verde Utilities Company - Schedules**

Schedule G-4

Test Year Ended December 31, 2011

Expense Allocation to Classes of Service

Line

No.

1 The Company did not prepare a cost of service study due to its proposal  
2 of a conservation-oriented rate design which is not based on costs.

3

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Supporting Schedules

G-5

G-7

Recap Schedules

G-1 & G-2

Global Water - Palo Verde Utilities Company - Schedules  
Test Year Ended December 31, 2011  
Distribution of Rate Base by Function

Schedule G-5

Line  
No.

- 1     The Company did not prepare a cost of service study due to its proposal
- 2     of a conservation-oriented rate design which is not based on costs.
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14

Supporting Schedules

Recap Schedules  
G-3

Line  
No.

- 1      The Company did not prepare a cost of service study due to its proposal
- 2      of a conservation-oriented rate design which is not based on costs.
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14

Supporting Schedules

Recap Schedules  
G-4

**Global Water - Palo Verde Utilities Company - Schedules**

Schedule G-7

Test Year Ended December 31, 2011

Development of Allocation Factors

Line

No.

1 The Company did not prepare a cost of service study due to its proposal  
2 of a conservation-oriented rate design which is not based on costs.

3

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Supporting Schedules

Recap Schedules

G-4

G-3

Global Water - Palo Verde Utilities Company  
Test Year Ended December 31, 2011  
Classification - Present and Proposed Rates

Schedule H-1

Line No.	Customer Classification	[A] Revenue at 2011 Rates Sch. H-2 Col. C	[B] Revenue Annualized and adjusted for Phase-In	[C] Proposed Rates Sch. H-2 Col. F	[D] Proposed Increase Amount	[E] %
1						
2	Residential	\$ 9,762,983	\$ 11,871,274	\$ 14,692,684	\$ 2,821,410	28.9%
3	Commercial	440,865	552,511	660,964	108,453	24.6%
4	Recycled	305,271	338,604	1,071,097	732,493	239.9%
5						
6	Total Waste Water Revenues	\$ 10,509,118	\$ 12,762,389	\$ 16,424,745	\$ 3,662,356	34.8%
7						
8	Miscellaneous Revenues (Sch. C-1, L3)	345,001	345,001	345,001		
9						
10	Total Operating Revenues	\$ 10,854,119	\$ 13,107,390	\$ 16,769,746		
11						
12						
13						
14						
15	Test Year Revenue (Schedule C-2)	\$ 11,411,932				
16	Less adjustment C-2.5	(562,721)				
17	Less adjustment C-2.15	5,047				
18		10,854,258				
19						
	Unreconciled Difference	\$ (138)				
		-0.0013%				
	<u>Supporting Schedules</u>		<u>Recap Schedules</u>			
	H-2		A-1			



		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
Bill Count Water Revenues												
Line	Class of Service	Average Number of Customers	Average Consumption	Actual Revenue at 2011 Rates	Adjustment for 2010-2011 pro-rata	Hypothetical Rev with no 2010-2011 pro-rata	Adjustment for Jan 1 2012 Phase In Step	Annualization Adjustment C-2.4	Adjusted Present Rates [C + D + F + G]	Proposed Rates	Proposed Increase [I - H]	Proposed %
1												
2	5/8" Residential	1,114	N/A	\$ 682,068	7363.72	\$ 689,432	\$ 129,819	\$ (755)	\$ 818,496	\$ 1,023,841	\$ 205,345	25.09%
3	3/4" Residential	14,382	N/A	\$ 9,015,668	120993.26	\$ 9,136,662	1,720,672	129,846	\$ 10,987,180	\$ 13,570,359	\$ 2,583,178	23.51%
4	1" Residential	42	N/A	65,247	1072.19	\$ 66,319	12,490	(13,212)	\$ 65,597	98,484	32,887	50.13%
5	5/8" Commercial	5	N/A	2,929	23.16	\$ 2,952	558	(755)	\$ 2,756	4,403	1,648	59.79%
6	3/4" Commercial	4	N/A	2,482	16.49	\$ 2,498	469	-	\$ 2,967	3,696	729	24.50%
7	1" Commercial	17	N/A	26,691	268.53	\$ 26,960	5,086	1,887	\$ 33,933	40,101	6,169	18.19%
8	1.5" Commercial	31	N/A	96,857	853.74	\$ 97,711	18,395	(7,549)	\$ 108,556	145,072	36,516	33.64%
9	2" Commercial	53	N/A	265,272	2571.12	\$ 267,843	50,408	30,197	\$ 348,448	397,553	49,105	14.09%
10	3" Commercial	3	N/A	30,865	210.34	\$ 31,076	5,902	-	\$ 36,978	46,549	9,571	25.88%
11	4" Commercial	1	N/A	15,768	113.74	\$ 15,882	2,991	-	\$ 18,873	23,589	4,716	24.96%
12	Non-Potable	9	5,052,345	305,271	-	\$ 305,271	-	33,333	\$ 338,604	1,071,097	732,493	216.33%
13												
14												
15	Total Residential	15,538	N/A	\$ 9,762,983	\$ 129,429	\$ 9,892,412	\$ 1,862,982	\$ 115,880	\$ 11,871,274	\$ 14,882,884	\$ 2,821,410	23.77%
16	Total Commercial	114	N/A	440,865	4,057	444,922	63,809	23,780	562,511	860,364	108,453	19.63%
17	Recycled	9	5,052,345	305,271	-	305,271	-	33,333	338,604	1,071,097	732,493	216.33%
18	Totals	15,661		10,508,118	133,486		1,946,791	172,983	12,762,389	16,424,745	3,662,356	28.70%

Supporting Schedules

Recap Schedules  
 H-1

Global Water - Palo Verde Utilities Company  
Test Year Ended December 31, 2011  
Classification - Present and Proposed Rates

Schedule H-2  
Page 2 of 2

Line No.		Current	Proposed	Increase	Test Year Charges	Revenue Increase
1						
2	Establishment	\$ 35.00	\$ 35.00	\$ -	6,604	\$ -
3	Establishment After Hours	50.00	50.00	-	6	-
4	Reconnect	35.00	35.00	-	1,963	-
5	Reconnect After Hours	50.00	50.00	-	9	-
6	NSF Fees	30.00	30.00	-	-	-
7						
8	Proposed Misc. Service Charge Increase					<u>\$ -</u>
9						
10						
11						
12						
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**Monthly Minimum Charges:**

Meter Size (All Classes)	Basic Service Charge		
	Present	Proposed	Change
5/8" X 3/4" Meter	\$ 62.91	\$ 78.63	\$ 15.72
3/4" Meter	62.91	78.63	15.72
1" Meter	157.28	196.58	39.30
1.5" Meter	314.55	393.15	78.60
2" Meter	503.28	629.04	125.76
3" Meter	1,006.56	1,258.08	251.52
4" Meter	1,572.75	1,965.75	393.00
6" Meter	3,145.50	3,931.50	786.00
8" Meter	5,032.80	6,290.40	1,257.60

Effluent Charge:	Present	Proposed	Change
All Gallons (Per Acre Foot)	\$ 185.74	\$ 651.70	\$ 465.97
All Gallons (Per 1,000 Gallons)	0.57	2.00	1.43

Miscellaneous Service Charges	Present	Proposed
Establishment of Service	\$ 35.00	\$ 35.00
Establishment of Service (After Hours)	50.00	50.00
Re-establishment of Service (Within 12 Months)	(a)	(a)
Reconnection of Service (Delinquent)	35.00	35.00
Reconnection of Service - After Hours (Delinquent)	50.00	50.00
Meter Move at Customer Request	NA	NA
After Hours Service Charge, Per Hour*	50.00	50.00
Deposit	(b)	(b)
Meter Re-Read (If Correct)	N/A	N/A
Meter Test Fee (If Correct)	N/A	N/A
NSF Check	30.00	30.00
Late Payment Charge (Per Month)	1.50%	1.50%
Deferred Payment Charge (Per Month)	1.50%	1.50%

(a) Number of Months off System times the monthly minimum per A.A.C. R14-2-603(D).

(b) Per A.A.C. R14-2-603(B).

\* For After Hour Service Calls for work performed on the customer's property; not to be charged in addition to an establishment or a reconnection after hours of In addition to the collection of its regular rates and charges, the Company shall collect from customers their proportionate share of any privilege, sales or use tax in accordance with A.A.C. R14-2-608(D)(5).

Note on Phase in of Rates

Rates approved in Palo Verde's last rate case were phased in per the following schedule:

	Effective Date of Phase in Rate		
	8/1/2010	1/1/2011	1/1/2012
5/8"x 3/4" Meter	\$42.97	\$52.94	\$62.91
3/4" Meter	\$42.97	\$52.94	\$62.91
1" Meter	\$107.43	\$132.35	\$157.28
1-1/2" Meter	\$214.85	\$264.70	\$314.55
2" Meter	\$343.76	\$423.52	\$503.28
3" Meter	\$687.52	\$847.04	\$1,006.56
4" Meter	\$1,074.25	\$1,323.50	\$1,572.75
6" Meter	\$2,148.50	\$2,647.00	\$3,145.50
8" Meter	\$1,677.60	\$3,355.20	\$5,032.80

**Global Water - Palo Verde Utilities Company**  
Test Year Ended December 31, 2011  
Classification - Present and Proposed Rates

Schedule H-4  
Page 1 of 2

Class of Service	Average Monthly Consumption	Present Rates	Proposed Rates	Proposed Increase	
				Amount	%
5/8" Residential	N/A	\$ 62.91	\$ 78.63	\$ 15.72	24.99%
3/4" Residential	N/A	62.91	78.63	15.72	24.99%
1" Residential	N/A	157.28	196.58	39.30	24.98%
1.5" Residential	N/A	314.55	393.15	78.60	24.99%
2" Residential	N/A	503.28	629.04	125.76	24.99%
5/8" Commercial	N/A	62.91	78.63	15.72	24.99%
3/4" Commercial	N/A	62.91	78.63	15.72	24.99%
1" Commercial	N/A	157.28	196.58	39.30	24.98%
1.5" Commercial	N/A	314.55	393.15	78.60	24.99%
2" Commercial	N/A	503.28	629.04	125.76	24.99%
3" Commercial	N/A	1,006.56	1,258.08	251.52	24.99%
4" Commercial	N/A	1,572.75	1,965.75	393.00	24.99%
6" Commercial*	N/A	3,145.50	3,931.50	786.00	24.99%
8" Commercial*	N/A	5,032.80	6,290.40	1,257.60	24.99%

\*Currently no 6" or 8" customers.

Global Water - Palo Verde Utilities Company  
Test Year Ended December 31, 2011  
Classification - Present and Proposed Rates

Schedule H-4  
Page 2 of 2

Class of Service	Monthly Consumption	Present Rates	Proposed Rates	Proposed Increase	
	(1,000s)			Amount	%
Recycled Water	100	\$ 57	\$ 200	\$ 143	250.88%
	1100	627	2,200	\$ 1,573	250.88%
	2100	1,197	4,200	\$ 3,003	250.88%
	3100	1,767	6,200	\$ 4,433	250.88%
	4100	2,337	8,200	\$ 5,863	250.88%
	5100	2,907	10,200	\$ 7,293	250.88%
	6100	3,477	12,200	\$ 8,723	250.88%
	7100	4,047	14,200	\$ 10,153	250.88%
	8100	4,617	16,200	\$ 11,583	250.88%
	9100	5,187	18,200	\$ 13,013	250.88%
	10100	5,757	20,200	\$ 14,443	250.88%
	11100	6,327	22,200	\$ 15,873	250.88%
	12100	6,897	24,200	\$ 17,303	250.88%
	13100	7,467	26,200	\$ 18,733	250.88%
	14100	8,037	28,200	\$ 20,163	250.88%
	15100	8,607	30,200	\$ 21,593	250.88%
	16100	9,177	32,200	\$ 23,023	250.88%
	17100	9,747	34,200	\$ 24,453	250.88%
	18100	10,317	36,200	\$ 25,883	250.88%
	19100	10,887	38,200	\$ 27,313	250.88%
	20100	11,457	40,200	\$ 28,743	250.88%
	21100	12,027	42,200	\$ 30,173	250.88%
	22100	12,597	44,200	\$ 31,603	250.88%
	23100	13,167	46,200	\$ 33,033	250.88%
	24100	13,737	48,200	\$ 34,463	250.88%
	25100	14,307	50,200	\$ 35,893	250.88%
	26100	14,877	52,200	\$ 37,323	250.88%
	27100	15,447	54,200	\$ 38,753	250.88%
	28100	16,017	56,200	\$ 40,183	250.88%
	29100	16,587	58,200	\$ 41,613	250.88%

**Global Water - Palo Verde Utilities Company**  
Test Year Ended December 31, 2011  
Classification - Present and Proposed Rates

Schedule H-5  
Page 1 of 3

Rate Schedule: All Wastewater

Line No.	Class of Service	Number of Bills
1		
2	5/8" Residential	13021
3	3/4" Residential	172585
4	1" Residential	501
5	5/8" Commercial	56
6	3/4" Commercial	47
7	1" Commercial	204
8	1.5" Commercial	369
9	2" Commercial	632
10	3" Commercial	37
11	4" Commercial	12

Rate Schedule: Recycled

Block		Number of Bills by Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
				No.	% of Total	Amount	% of Total
-	500	8	2,000	8	7.55%	2,000	0.00%
501	1,000	1	751	9	8.49%	2,751	0.00%
1,001	2,000	-	-	9	8.49%	2,751	0.00%
2,001	3,000	-	-	9	8.49%	2,751	0.00%
3,001	4,000	-	-	9	8.49%	2,751	0.00%
4,001	5,000	-	-	9	8.49%	2,751	0.00%
5,001	6,000	-	-	9	8.49%	2,751	0.00%
7,001	8,000	-	-	9	8.49%	2,751	0.00%
8,001	10,000	-	-	9	8.49%	2,751	0.00%
10,001	11,000	1	10,501	10	9.43%	13,251	0.00%
11,001	80,000	-	-	10	9.43%	13,251	0.00%
80,001	85,000	2	165,001	12	11.32%	178,252	0.03%
	190,000	1	190,000	13	12.26%	368,252	0.07%
	492,250	1	492,250	14	13.21%	860,502	0.16%
	568,000	1	568,000	15	14.15%	1,428,502	0.27%
	759,000	1	759,000	16	15.09%	2,187,502	0.41%
	945,000	1	945,000	17	16.04%	3,132,502	0.58%
	986,300	1	986,300	18	16.98%	4,118,802	0.77%
	1,056,000	1	1,056,000	19	17.92%	5,174,802	0.97%
	1,259,500	1	1,259,500	20	18.87%	6,434,302	1.20%
	1,277,000	1	1,277,000	21	19.81%	7,711,302	1.44%
	1,339,000	1	1,339,000	22	20.75%	9,050,302	1.69%
	1,477,000	1	1,477,000	23	21.70%	10,527,302	1.97%
	1,501,300	1	1,501,300	24	22.64%	12,028,602	2.25%
	1,535,300	1	1,535,300	25	23.58%	13,563,902	2.53%
	1,548,000	1	1,548,000	26	24.53%	15,111,902	2.82%
	1,630,000	1	1,630,000	27	25.47%	16,741,902	3.13%
	1,631,000	1	1,631,000	28	26.42%	18,372,902	3.43%
	1,710,000	1	1,710,000	29	27.36%	20,082,902	3.75%
	1,742,000	1	1,742,000	30	28.30%	21,824,902	4.08%
	1,954,000	1	1,954,000	31	29.25%	23,778,902	4.44%
	1,964,000	1	1,964,000	32	30.19%	25,742,902	4.81%
	1,994,000	1	1,994,000	33	31.13%	27,736,902	5.18%
	2,097,000	1	2,097,000	34	32.08%	29,833,902	5.57%
	2,226,000	1	2,226,000	35	33.02%	32,059,902	5.99%
	2,319,000	1	2,319,000	36	33.96%	34,378,902	6.42%
	2,320,000	1	2,320,000	37	34.91%	36,698,902	6.85%
	2,377,000	1	2,377,000	38	35.85%	39,075,902	7.30%
	2,405,000	1	2,405,000	39	36.79%	41,480,902	7.75%
	2,419,000	1	2,419,000	40	37.74%	43,899,902	8.20%
	2,424,000	1	2,424,000	41	38.68%	46,323,902	8.65%
	2,495,000	1	2,495,000	42	39.62%	48,818,902	9.12%
	2,594,600	1	2,594,600	43	40.57%	51,413,502	9.60%
	2,625,000	1	2,625,000	44	41.51%	54,038,502	10.09%
	2,643,000	1	2,643,000	45	42.45%	56,681,502	10.58%
	2,723,000	1	2,723,000	46	43.40%	59,404,502	11.09%
	2,819,000	1	2,819,000	47	44.34%	62,223,502	11.62%
	2,870,000	1	2,870,000	48	45.28%	65,093,502	12.15%
	2,872,000	1	2,872,000	49	46.23%	67,965,502	12.69%
	3,047,000	1	3,047,000	50	47.17%	71,012,502	13.26%
	3,140,000	1	3,140,000	51	48.11%	74,152,502	13.85%
	3,160,000	1	3,160,000	52	49.06%	77,312,502	14.44%
	3,170,000	1	3,170,000	53	50.00%	80,482,502	15.03%
	3,447,000	1	3,447,000	54	50.94%	83,929,502	15.67%
	3,533,000	1	3,533,000	55	51.89%	87,462,502	16.33%
	3,742,000	1	3,742,000	56	52.83%	91,204,502	17.03%



Rate Schedule: Recycled

Block	Number of Bills by Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
3,912,000	1	3,912,000	57	53.77%	95,116,502	17.76%
3,964,000	1	3,964,000	58	54.72%	99,080,502	18.50%
4,088,000	1	4,088,000	59	55.66%	103,168,502	19.26%
4,159,000	1	4,159,000	60	56.60%	107,327,502	20.04%
4,338,000	1	4,338,000	61	57.55%	111,665,502	20.85%
4,563,000	1	4,563,000	62	58.49%	116,228,502	21.70%
4,565,000	1	4,565,000	63	59.43%	120,793,502	22.56%
4,611,000	1	4,611,000	64	60.38%	125,404,502	23.42%
5,100,000	1	5,100,000	65	61.32%	130,504,502	24.37%
5,165,000	1	5,165,000	66	62.26%	135,669,502	25.33%
5,166,000	1	5,166,000	67	63.21%	140,835,502	26.30%
5,627,000	1	5,627,000	68	64.15%	146,462,502	27.35%
5,723,000	1	5,723,000	69	65.09%	152,185,502	28.42%
5,794,000	1	5,794,000	70	66.04%	157,979,502	29.50%
5,976,000	1	5,976,000	71	66.98%	163,955,502	30.61%
5,994,000	1	5,994,000	72	67.92%	169,949,502	31.73%
6,112,000	1	6,112,000	73	68.87%	176,061,502	32.87%
6,182,000	1	6,182,000	74	69.81%	182,243,502	34.03%
6,197,000	1	6,197,000	75	70.75%	188,440,502	35.19%
6,539,000	1	6,539,000	76	71.70%	194,979,502	36.41%
6,840,000	1	6,840,000	77	72.64%	201,819,502	37.68%
6,856,000	1	6,856,000	78	73.58%	208,675,502	38.96%
7,040,000	1	7,040,000	79	74.53%	215,715,502	40.28%
7,163,000	1	7,163,000	80	75.47%	222,878,502	41.62%
7,445,000	1	7,445,000	81	76.42%	230,323,502	43.01%
7,640,000	1	7,640,000	82	77.36%	237,963,502	44.43%
8,110,000	1	8,110,000	83	78.30%	246,073,502	45.95%
8,376,000	1	8,376,000	84	79.25%	254,449,502	47.51%
8,656,000	1	8,656,000	85	80.19%	263,105,502	49.13%
8,876,000	1	8,876,000	86	81.13%	271,981,502	50.79%
9,011,000	1	9,011,000	87	82.08%	280,992,502	52.47%
9,041,000	1	9,041,000	88	83.02%	290,033,502	54.16%
9,057,000	1	9,057,000	89	83.96%	299,090,502	55.85%
9,183,000	1	9,183,000	90	84.91%	308,273,502	57.56%
9,356,000	1	9,356,000	91	85.85%	317,629,502	59.31%
9,588,000	1	9,588,000	92	86.79%	327,217,502	61.10%
10,247,000	1	10,247,000	93	87.74%	337,464,502	63.01%
10,723,800	1	10,723,800	94	88.68%	348,188,302	65.02%
10,764,000	1	10,764,000	95	89.62%	358,952,302	67.03%
11,638,000	1	11,638,000	96	90.57%	370,590,302	69.20%
11,850,000	1	11,850,000	97	91.51%	382,440,302	71.41%
12,059,000	1	12,059,000	98	92.45%	394,499,302	73.66%
12,405,000	1	12,405,000	99	93.40%	406,904,302	75.98%
13,236,000	1	13,236,000	100	94.34%	420,140,302	78.45%
13,374,000	1	13,374,000	101	95.28%	433,514,302	80.95%
17,324,000	1	17,324,000	102	96.23%	450,838,302	84.18%
17,604,000	1	17,604,000	103	97.17%	468,442,302	87.47%
18,149,000	1	18,149,000	104	98.11%	486,591,302	90.86%
20,394,000	1	20,394,000	105	99.06%	506,985,302	94.67%
28,564,000	1	28,564,000	106	100.00%	535,549,302	100.00%
Totals	106	535,549,302	106		535,549,302	
Average No. of Customers:	9					
Average Consumption:	5,052,345					
Median Consumption:	3,308,500					